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# **West Europe Report**

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No. 1651

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## FRENCH ARMY'S NEW ANTIAIRCRAFT MISSILE DESCRIBED

LD101237 Paris LE MONDE in French 10 Oct 80 p 12

[Report by Jacques Isnard: "French Artillery Has Taken 20 Years to Equip Itself With a Modern Very Low-Altitude Antiaircraft Missile"]

[Excerpts] Nimes--The program to equip the French Army with modern Roland air defense missiles which was initiated in 1964 will not be completely finished until 1986-1987.

This was stated on Tuesday, 7 October in Nimes (Gard) by Brig Gen Andre Baron, who commands the surface-to-air artillery training school, in reply to questions from journalists. It will have taken more than 20 years from the decision by French and West German forces to jointly build a new surface-to-air missile, [presumably line drop] French antiaircraft artillery--heir to the famous antiaircraft defense--for the army to receive the 202 Roland weapons systems which it planned to order to protect its battlecorps.

The Roland takes the form of a 33-ton armored vehicle derived from the AMX-30 combat tank and carrying two launchers combined with a surveillance and warning radar system. The device carries 10 missiles ready for firing and is accompanied by a wheeled vehicle for close protection. The missile reaches 1,800 km per hour in less than 2 seconds and this speed can be kept constant until impact for around 13 seconds.

Fired at any near or distant target, from a helicopter hovering in a stationary position to an airplane not exceeding the supersonic speed of mach 1.3, the Roland has a range of 6 km and a maximum height of 3,000 meters.

At a rate of 20 complete weapon systems per year the Army General Staff [apparent line drop] six surface-to-air artillery regiments. Each army corps--there are three in France and in the FRG--will have two each. These regiments will be homogenous (with four Roland batteries having eight systems each) or will be mixed (three Roland batteries and one 30 mm twin-tube battery). Two surface-to-air artillery regiments are already equipped with the Roland: the 54th artillery regiment in Verdun and the 57th regiment at Bitche (Moselle).

In addition each of the three army corps will have a regiment with four improved hawk missile batteries for low and medium-altitude.

CSO: 3100

## NATO ENTRY, BASE RENEWAL NEGOTIATIONS, U.S. RELATIONS DISCUSSED

Madrid ABC in Spanish 12 Aug 80 p 3

[Editorial by Jose Mario Armero: "NATO Without Bases"]

[Text] The statements made by the minister of foreign affairs concerning Spain's support of the North Atlantic Treaty did not come at an opportune time, unless they were made for domestic political purposes. They took place during a difficult time in our relations with Europe, and very near to the date of President Carter's arrival in Madrid. But the most inappropriate feature was the categorical government position, which caught the opposition by surprise. It was already known that the Democratic Center Union firmly supported the idea of alliance with Western Europe and the United States. However, the opposition had understood that a policy of consensus on foreign policy existed, and this was shattered or impaired after the executive's forthright declarations.

And so the clash of dialectics between the two conflicting positions has begun again, more strongly than ever before: NATO--yes or no? Since parliament has been in recess, it has been impossible to put the matter before Congress in any way, but it is pending there, and will be a priority issue in September. The socialist opposition, which was not so far away from accepting admission to NATO--following the line of its European namesakes--has accused the government of "gluttony" and lack of tact in introducing such an important matter, and has taken a radical position, very much like the stand of the Communist Party, placing itself solidly on the side of nonalignment.

We must start from the assumption that everyone, or almost everyone, agrees that NATO has to exist because the Warsaw Pact exists (or vice versa if you like). We also agree that the policy of having two blocs, two enormous giants in a threatening confrontation, is not desirable for the harmonious development of international coexistence. But that is how things are. Moreover, the fact is that the game between the two powers with weapons held high has made possible one of the longest periods of peace that humanity has known, as well as the localization of conflicts; and the terrifying specter of a third world war has diminished.

Within this framework of counterbalance between the great Western and eastern pacts we have democratic Spain and the possibility of Spain's alinement with its natural allies. The polemics begin, and it is said that we Spanish, if we join NATO, would upset the balance. On 24 January 1976 we signed the latest agreements with the United States. The opposition to the UCD government inexplicably appears to accept the extension of those pacts, which allow American military bases on Spanish territory,

which do not permit us to take part in an authentic defense policy, which exclude Ceuta and Melilla as if they were not part of our national territory, which place no responsibility on the United States in case of an attack by a third party, and which, to sum up, have certain unmistakably colonialist characteristics. However, some years ago, when joining NATO meant for us the need for a push toward democracy, when NATO was the anxiously sought European objective, many of those who now are opposed to it saw it as almost a utopia, as something very difficult to achieve from the perspective of an autocratic regime. Therefore it is a bit disconcerting at present to look upon an opposition closed to the Atlantic Alliance and silent with respect to the treaties with the United States, which, as USSR Foreign Minister Andrey Gromyko said on his visit to Madrid, place us face to face with the ballistic missiles of the Warsaw Pact.

That is why the renewal of the agreements with the United States cannot be just a simple ratification, awaiting only the negotiation of specific clauses and some "improvements." We cannot follow the same course as with the previous agreements, as implied in the recent statements by the minister of foreign affairs. We believe, on the contrary, that parliament must participate in depth in the negotiation of those treaties, and our representatives should assess their true significance. Perhaps, inexplicably, they will arrive at the conclusion that it is preferable to follow the Franco course of bilateral agreements with the western giant, excusable in the past because there was no other alternative, and because, in the words of one of Franco's foreign ministers, the agreements amounted to a protection against internal enemies.

The current position of Spain, and the one which would result from an extension of the treaties with Washington, would not characterize us as a neutral country. On the other hand, political groups and parties are markedly inconsistent regarding the foreign policy position that Spain should adopt. On occasion, some groups have tried to take positions outside of Spain which they did not take at home, perhaps for the sake of gaining ground and a label of approval. And this often explains many of our "third worldisms," nonalignments, etc.

The government's reaffirmation or explanation regarding NATO was probably useful in bringing to mind the fact that Spain is playing politics that are western, European and democratic. Other parties outside the government are not far from those positions, because they all seek Spain's membership in the Common Market, all participate in the Council of Europe, and all are in the European Movement. So, then, is it so strange that NATO should also be a logical objective in the field of defense?

Perhaps the reasons for admitting Spain as the 16th member of NATO should be explained again. It will be necessary to begin in-depth negotiations, with the full participation of parliament, so that Spain may join the western defensive mechanism with maximum advantage.

There is no reason to delay the negotiations, or to consider a referendum for a subject that is so clear that it can be decided in parliament. We Spaniards need to resolve very important problems of defense, not only in the face of a hypothetical Soviet invasion of Europe, but in order to settle our definitive affiliation with Europe and thorny problems which have priority for us: Ceuta and Melilla; conflicts in North Africa involving with the new position of the Canary Islands unprotected by the African continent; Gibraltar; joining the Common Market...and other matters. Among these matters we now can emphasize the struggle against terrorism, through information

about foreign services and gangs that are operating in Spain, which has allowed the minister of foreign affairs to give a clear explanation of the complicity of interested countries in actions which destabilize our coexistence, and to ask if they can continue to be friendly countries.

The time has come to negotiate, and it is essential to rise above personal positions and party irritations caused by tactlessness and statements. In the first place, renewal of the agreements with the United States must be brought under discussion. Their usefulness is more than doubtful; they do not support us in an overall defensive structure. Since this option is discarded because it is paternalistic and obsolete in a democratic Spain, the only thing left to us is a Third World type neutrality, or the European choice. Those opposed to our joining NATO will say that the latter means turning Spain into a launching platform for nuclear weapons: an opinion which a good part of public opinion would share. But there is a third way--a yes to NATO--but the same position General DeGaulle wanted for France: NATO without military bases. Spain today is a nuclear target because of its agreements with the United States. But it would be able to avoid this if it joined the Atlantic Alliance and stayed out of the Military Committee of the organization. There you have a compromise formula for discussion: NATO without military bases. It could be argued that Spain's admission to NATO would turn it into a kind of giant aircraft carrier; but I think that we already are one, although with a foreign commander and no participation in an effective and coherent defense policy. In NATO we would be an independent country, integrated into a defined western defensive system. The matter is profoundly important. Our current foreign problems are sufficiently serious to make us feel inadequate to solve them by ourselves. We must ask ourselves very sternly whether we can allow ourselves the great luxury of nonalignment.

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CSO: 3110

## INTERNATIONAL TERRORIST ARMS TRAFFICKING FOCUSES ON ZURICH

Mexico City EL DIA in Spanish 26 Aug 80 p 15

[Article by Mario Zapata: "Arms for Terrorists"]

[Text] As a result of the attack a few days ago in Bologna, Italy, which left about 100 victims including those killed and injured, the police have brought to light some connections between terrorists and the Spanish and German extreme right. The trail leads through the major network of arms traffickers established in Switzerland. Zurich, the banking capital, is where the merchants of death engaged in their dirty work move with greatest ease.

The citizens of Switzerland have great respect for all types of businesses and never think ill of energetic bankers and business men. For that reason they are not bothered greatly that there should be heavy arms trafficking. Profits above all.

But the arms manufacturers are not located in Switzerland. Belgium, Czechoslovakia, and the FRG are the principal producers of devices to kill. Those who are unquestionably in Switzerland, however, are the merchants who traffic in arms.

The country which distributes the largest quantity of weapons both to terrorists and to bands of delinquents is the FRG. In that country weapons generally originate from two sources: from U.S. bases and from NATO troops stationed in the FRG.

Various German periodicals have recently published reports in which they have disclosed how U.S. soldiers are selling entire warehouses of surplus materiel which, in most cases, involves arms now used by NATO forces.

#### Facilities at the Border

The Swiss usually contribute astounding facilities (which contrast with their strictness regarding the immigration of foreign workers) for the arms traffic.

Generally, on leaving the FRG, the arms move through Swiss territory; for example, the Scorpion pistols used by the Red Brigades in Italy take this route.

According to experts, the most common route is across the waters of Lake Constance a few kilometers from Zurich. This lake is close to Vaduz, Liechtenstein, a genuine paradise for every type of shady business, and its shores border on Austria, the FRG and Switzerland.

One of the customers which the Swiss manufacturers have or used to have was the Spanish terrorist organization, allegedly made up of leftists, called GRAPO [First of October Armed Revolutionary Group]. In October 1979 the Spanish minister of interior complained that GRAPO had a sizable current account which it had opened in a Swiss bank. What the minister did not mention is that there surfaced in Switzerland in connection with arms sales to GRAPO the names of Giorgio Bellini and Gerard de la Loy, names which have also appeared in reports of the Italian police connected with the Red Brigades. All European politicians know (and some could prove it) that within the terrorist organizations of the left and the right there are large contingents of American, Soviet, German and other secret agents. All of them are fishing in troubled waters. Some of them--known in secret espionage circles--have attained influential positions in a few of these organizations. Others have been killed in the settlement of accounts. For example, GRAPO's two holders of current accounts in Geneva were assassinated in Paris within one day of each other by some unknown assailants. It was thought in France that the reason may have been their dispute with other groups for an important arms contract signed with the Belgians.

### Managers of Death

The key addresses of the arms market in Switzerland are Glaser and Lowenstrasse in Zurich and Nimrod in Vaduz.

Lowenstrasse is one of the principal thoroughfares in Zurich. It is an avenue located very close to the river which divides the city into two parts. Said street is full of armories and arms shops engaged in the sale--even illegal sale--of pistols, rifles, and submachineguns. Glaser is the name of the major arms store and its business transactions include sizable deals with the racist regimes of South Africa and the mercenaries of Ian Smith in Zimbabwe. Countries of southern Africa keep two firms practically dependent upon them, namely Sig di Sciaffusa and Oerlikon-Buhle, both in Zurich.

At the Glaser store it is possible to buy easily (those who know the store say that the shop is very convenient) a number of makes of pistols. There one can find the Astra, the P-38 tragically famous in Italy, the Nagant and others. Collectors can even take home a modern Enfield rifle with a telescopic sight of British manufacture for the modest price of 60,000 Mexican pesos. Each weapon bears a label, fastened to the barrel, detailing the caliber, price and year of manufacture. When the customer does not wish to buy a single weapon but rather a shipment, the negotiations are carried out in a back room.

### Crossing the Borders

The firms which devote themselves to the arms traffic usually provide a complementary service to their customers, namely, shipment to destination. For this purpose they usually employ two methods almost exclusively: large Tir trucks, and the railroads. On very special occasions, when gigantic shipments are involved, a ship is chartered, generally from the port of Antwerp.

The large Tir trucks are sealed at the point of origin by the border guards of the country involved. When the trucks are about to reach the country of destination it is possible to break the seals, conceal weapons among the alleged cargo, and place new false seals. The truck reaches the customs checkpoint in order and is waved on without being subjected to any special check. This is the method used most frequently.

Arms are also forwarded from Switzerland using the railroad. On several occasions the Italian police have discovered that suitcases without owners travel on express trains. That is, an individual checks a suitcase on an express train as if he were a passenger and the baggage is collected by an unknown person at the station of arrival. The same system of transportation is used in the trade with more distant countries such as Spain, Portugal and others.

Following the weapons are the secret services, the terrorist organizations, and the local police forces. On occasion it is difficult to distinguish among them. Assassinations of personalities hostile to the established government in some countries and refugees abroad are also connected with the infrastructure of arms transportation. Moslem countries do not have the monopoly on manhunts. Jews hunted Nazis responsible for crimes across the entire world. Now they do the same with members of the PLO [Palestine Liberation Organization]. The Argentine, Uruguayan and Chilean dictators destroy exiled democrats in concerted strategic plans which involve the entire world. It is not rare to find in history that a regime, fearful of being toppled, arranges for the execution abroad of its adversaries whose prestige and authority threaten it. What is original in our era is the formation of a terrorist international. Unknown to the public but more or less familiar to the police, the links between some terrorists of the FRG, the IRA [Irish Republican Army], the ETA [Basque Fatherland and Liberty Group], various GRAPO entities, the Italian and Spanish extreme right, and the espionage services of the Southern Cone with secret police units and with certain governments disclose the dimensions of the war being waged from the shadows against the world's democracies.

The terrorism of the IRA or ETA has not been created by the ghost-like "Carlos," by dollars from Libya, or in the training camps of the Soviet Union or the Middle East. But the Irish or the Basques involved in all forms of terrorism are not short of financial resources or arms. Even the majority of the leaders of these groups do not always know where their funds and their explosives originate.

There are suspicions and assumptions but no certainty whatever. The daily LA REPUBLICA in Italy wondered in light of the Bologna attack whether there exists "a foreign headquarters where precise plans are made, based on a diabolical schedule, to bring about Italy's chaos.... But how can one accept such a thesis as probable," the newspaper added, "if during all these years a concrete trail, consistent evidence enabling one to understand who and for what reason is trying to drown Italy in chaos has not been found?"

There is in particular talk of Libya where, according to some European dailies, there have existed for some time now training camps for terrorists of various persuasions. There is mention of the secret services of the Soviet Union and the United States, both of them interested in impeding the autonomous and innovative development of the Italian political situation. "For that reason there is the understandable suspicion," Socialist Deputy Mario Sgarbi, vice president of the European Parliament, wrote, "that the perpetrators of the beastly massacre of Bologna are stooges in a game in which they are moved like pawns on a monstrous international chessboard."

There are many maybes, but for the time being no certainty. The only sure thing to date is that brutality reigns as a method of intimidation not only in the relations of the military governments of the southern tip of South America with their citizens, but also in "cultured" old Europe, which demonstrates that the violence of Nazism was not an isolated, abnormal and anomalous phenomenon. Something very serious is occurring in the field of international politics that is propelling us, slowly but surely, back into the caves of our prehistoric era without the need for an atomic war.

## LIMITATIONS OF DRAFT CONVENTION ON HUMANIZING WAR

Paris LE MONDE in French 12-13 Oct 80 p 1

[Editorial: "A 'Humanized' War?"]

[Text] Arms talks follow each other without being alike. While the two big powers monopolize people's attention with their SALT meetings and are preparing to start another, even more arduous, exercise with respect to Euromissiles in Geneva on 15 October, bigger and less spectacular meetings taking place under UN auspices in the same city do occasionally achieve results.

This applies to the draft convention on "banning or limiting the use of certain conventional weapons which can be deemed to either produce excessive traumatic effects or strike indiscriminately" to which 76 delegations put the final touch on Saturday. In a treaty and three protocols which will be submitted to the UN General Assembly for approval and, later, to all governments for signature (the agreement will come into effect once at least 20 states will have signed it), the participants have undertaken to either limit or ban the use of antipersonnel booby traps, mines, incendiary bombs and other unnecessarily or "excessively" cruel devices.

However, this attempt to "humanize" war has soon found its limits. The only weapons whose use has been banned "under any circumstances" do not seem to be included in any known arsenals--they are bombs which leave in the bodies of the wounded fragments which cannot be detected with x-rays, booby traps set in food products and children's toys (in this connection, the French delegation referred to the situation in Afghanistan), dead bodies and even national emblems, religious objects and historical monuments.... However, it will still be possible to shamelessly mine approaches to military objectives or booby-trap kitchen utensils in Barracks....

In fact, the participants have forgone protecting the combatant who is threatened with all possible ways of dying, even the most treacherous. At the very most some efforts are kindly made to prevent him from receiving "pointless wounds and suffering unnecessarily," even though nuclear arms, which have not been covered by the treaty, have certainly already made the old rules of chivalry recede considerably. However, the international legislators have tried to protect to a certain degree the civilian population from technological barbarity. In addition

to booby traps and mines, incendiary weapons, including the only too well-known napalm must be used neither against civilians nor indiscriminately. Only military objectives must be aimed at and those situated in densely populated regions will have to be avoided. Similarly, forests and crops must not be set on fire... unless many enemy combatants are hiding there.

All in all, this agreement breaks little new ground compared with the humanitarian conventions signed in Geneva in 1949, except that it extends its field of action, through various legal means, to colonial and liberation wars. It does not deal with chemical weapons which are now being developed on a large scale in the arsenals of superpowers and other countries, including their main elements, namely, incapacitating gases.

The efforts which have just been concluded in Geneva are praiseworthy but it would be quite risky to draw from them the conclusion that the current conflicts from Iran to Kampuchea and including Afghanistan will be humanized as a result.

CSO: 3100

## SOVIETS HOPE DISSIDENTS' REPENTING WILL HELP AT CSCE

LD150749 Paris LE MATIN in French 9 Oct 80 p 12

[Article by Nicolas Miletitch: "Dark Hours for Soviet Dissidents"]

[Text] The imminence of the Conference on Security and Cooperation in Europe (CSCE) in Madrid has brought no relief in the struggle waged by the Soviet authorities against dissidents--the trials held in recent weeks rather show that the authorities are determined to eliminate the opposition's last organized elements.

The Orthodox Opposition Movement has been affected most and, it seems has almost been annihilated. The two leaders of the movement are now unable to play the role of "spiritual guides."

On 28 August, 44-year-old Father Gleb Yakunin was sentenced to 5 years' detention in a strict regime camp, to be followed by 5 years' forced residence, for "anti-Soviet activities and propaganda" and 59-year-old Father Dmitriy Dudko has lost his following among the Orthodox Opposition publicly "repenting" for his activities in June 1980.

The malaise increased considerably during the trial in late September of religious activist Lev Regelson, 41, who admitted that he had been guilty of "spreading anti-Soviet slander" as alleged in court.

Lev Regelson, the author of a book--"The Tragedy of the Russian Church"--published in the West, pleaded guilty and promised the court that he would not resume his "anti-Soviet" activities. At the end of a trial which was filmed by Soviet television throughout, he emerged from the court a free man.

By passing a suspended sentence of 3 months' imprisonment on him, the authorities aimed to "show the way" to dissidents awaiting trial in jail, it is believed in Moscow. At the time of L. Regelson's trial, another leader of the Orthodox Movement--Viktor Kapitanchuk--a member of the Committee for the Defense of Believers, gave evidence in a spirit of "repentance" which suggests that his trial, which opened in the capital yesterday, could become another "psychological victory" won by the authorities over dissidents.

The committee for the study of the use of psychiatry for political ends has now only one member--Feliks Serebrov, 51--at liberty, since the committee's founder, Vyacheslav Bakhmin, was sentenced to 3 years' detention in a camp at the end of September.

Three more members of the committee--engineer Irina Grivnina, Dr Leonard Ternovskiy and male nurse Aleksandr Podrabinek--are awaiting trial in prison.

The aim of this group, which was founded in 1977, is to inform the Soviet people and Western public opinion about the "confinement of members of the political opposition in psychiatric hospitals" in the USSR, arrange for second opinion expert reports and help the victims of unjustified detention.

As for the unofficial magazine POISKI (RESEARCH), it appears that its' publication has been suspended as a result of the arrest of several of its editors. Two of them have already been tried--Viktor Sokirko, who pleaded guilty in Moscow on 1 October, benefited from the court's indulgence because he repented and was given only a suspended prison sentence of 3 years, and his friend--Valeriy Abramkin, 32--who was condemned to 3 years' imprisonment with no possibility of remission for "spreading anti-Soviet slanders" a few days later.

In Paris, the Association of Friends of Poiski (c/o Michel Bouvet, 59, Rue du Faubourg-du-Temple, 75010 Paris) calls for a campaign by protest telegrams to the Soviet Embassy in Paris to protest against the first sentences and the trial of Yuri Grom and Kirill Podrabinek which is now being prepared.

The fact that so many people have "repented" during the recent trials of members of the opposition has surprised observers since such a phenomenon has so far appeared only exceptionally in the history of the dissident movement in the Soviet Union.

Many people have been wondering about the means used by the authorities to make dissidents rejoin the "straight path" and are worried by the possibility of a "crisis of confidence" which could well arise as a result among various opposition groups.

The repentance of several dissidents known in the West should enable the Soviet Union to calmly face up to any attacks by U.S. or West European delegates to the Madrid conference against violation of human rights, it is believed in Moscow.

CSO: 3100

## 'SOCIALIST LIBERATION ARMY' BLAMED FOR JUTLAND TERROR WAVE

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 23 Sep 80 p 28

[Article by Peter Nonnenmacher: "The 'Enemies of the State' Apologized Politely"]

[Text] Have Germany's Baader-Meinhoffs and Italy's Red Brigades been blessed with a baby sister in Denmark? A lot of Danes at least found themselves making this comparison when the police in Aarhus, Jutland, saw their suspicions growing in recent days that a politically motivated group, which wants to overthrow capitalism with their flaming beacons, was behind numerous arson attacks during the past months. Only the name of the group: DSB--"Denmark's Socialist Liberation Army"--is known so far.

The list of the attacks for which the DSB is responsible, according to police findings, has already reached an impressive length. The mysterious Liberation Army is held responsible for arson at 4 homes, 5 cars set on fire and about 30 cases of willful destruction during the last 8 months. So far no one has been injured in the DSB actions. In each case the group had admitted to the attacks in letters or with their acronym along with a five-pointed star--copied from the star of German and Italian terrorist groups. The police blame two additional unknown groups, one of which calls itself simply "enemies of the state," for a number of other acts carried out in the same period.

The first attacks in the spring and summer of this year aroused little attention outside Jutland. The Liberation Army claimed responsibility for an arson attack at the local City Kontor in Aarhus in March, which caused DM 50,000 in damages. On the U.S. national holiday--4 July--the Aarhus branch of IBM went up in flames. On 8 September three Molotov cocktails of the "enemies of the state" were thrown at the Terna electronics factory near Aarhus, which manufactures parts for American F-16 fighters.

The "big bang" did not come until last week, when a department store in Tilst, also near Aarhus, was razed by the destructive "liberators": the damages run to DM 5 million, which is now causing the police serious

concern about law, order and property in the country. Detective Inspector Joergen Iversen says: "These crimes are a blow against the security of the state. It is no longer simply a matter of malicious damage." On one wall of the furniture warehouse, next to the letters "DSB" and the usual star, an explanation for the attack had been left in spray paint. This attack on the furniture store, it read, was an "attempt on the life of capitalism." An attack on the home of police chief Erik Christensen in April revealed that even in Denmark the defenders of the system, against which its infantile opponents are hurling their incendiary bombs, can no longer feel quite so safe. DSB militants had poured gasoline through the letter box and set fire to the house after the policeman had gone on vacation with his family. The fire department took several hours to bring the fire under control and rescue the other occupants of the house.

Those occupants brought to safety discovered a few days later that even in this flammable situation the Danish terrorist's mind, unlike the German or Italian, does not lean towards heartlessness and deadly seriousness. In letters, in which the DSB admitted the deed, the arsonists assured the policeman's neighbors in a fit of black humor that they regretted it and wanted to apologize sincerely for having caused those involved any "inconvenience."

9481

CSO: 3103

## BRIEFS

FRG, YUGOSLAVIA SIGN PROTOCOL--Bonn, 1 Oct (DPA)--Federal Interior Minister Gerhart Baum and his Yugoslav counterpart Franjo Mrljevic signed a protocol simultaneously in Bonn and Belgrade on Wednesday which is designed to intensify action to counter criminal activities agreed on verbally by the two countries in November 1979. According to the Interior Ministry, cooperation with Yugoslavia, which is an important transit country on the Balkan route, has already led to a substantial rise in the amount of heroin seized in Yugoslavia. In the first 6 months of 1980 the Yugoslav authorities alone seized 250 kilos of heroin, most of which was destined for the Federal Republic. [Excerpt] [LD011822 Hamburg DPA in German 1253 GMT 1 Oct 80]

GDR SEEN BRIDLING CHURCH--Honecker with his policy of intensified delimitation toward the West is also curtailing the liberty of the churches in the GDR. A clergyman from Dresden who was supposed to attend an ecclesiastical meeting in Hannover was deprived of his exit permit without justification after that permit had been granted. This fits in with East Berlin's prohibition against correspondents from the Federal Republic reporting on the Saxon Synod. The SED is again bridling the Evangelical Church severely. This started in early September with interference in the work of the East Berlin Evangelical News Service: a report on the Leipzig Synod of the Evangelical Church Federation also reflected criticism against the invasion of Afghanistan and against GDR violations of detente. East Berlin prevented the dissemination of this report to ecclesiastical authorities. Impeding information such as cutting off ecclesiastical communications with the outside illustrates the SED's church policy. Honecker on 6 March 1978 had promised freedom of the church to the representatives of the Evangelical Church Federation. Now, 30 months later, the communists' closed season for the church is over. [Text] [Commentary signed K.A.O.: "End of the Closed Season"] [DW241027 Frankfurt FRANKFURTER ALLGEMEINE in German 24 Oct 80 p 12]

CSO: 3103

## NEW EDUCATIONAL MEASURES CRITICIZED

Athens EXORMISI in Greek 20 Sep 80 pp 1, 11

[Excerpt] One of the concerns of the state government is the improvement of the educational system. And the Ministry of Education, as the responsible service, has made public the new measures which it will implement in elementary and secondary education.

But as an organ of the national government and "consequently" a responsible organ, it should take into consideration also the positions of those who will implement its program and who have a direct comprehension of the problems involved. Such an agency is the Federation of Secondary School Teachers [OLME], to which we appealed for an interpretation of the new measures of the Ministry of Education.

In the course of our effort, we met Athanasios Nikas, a member of the OLME Administrative Council, who told us the following:

EXORMISI: The new measures of the Ministry of Education in connection with elementary and secondary education aim "at the improvement of the teaching and educative work." What is your own opinion on this?

A. Nikas: Some details, such as the abolition of the examination period in September and the minor modifications which...[line missing]...in the lyceum can be regarded as positive points in the overall examination cycle, but since they touch only marginally on the problem as a whole, they do not change it in any way. The preservation on the one hand of all the examinations in the lyceum and their abolition only in the gymnasium put off the solving of the problem instead of helping it along.

EXORMISI: Would you like to comment specifically on the new measures as concerns their substantive value?

A. Nikas: Before we talk about the "new measures," it seems to me to be expedient to cite some observations which were formulated at the 50th General Assembly of the OLME (25-30 June 1980).

a) There are significant differences in the failure percentages between the capital area and the provinces, which have no relation to the abilities of the children but are due mainly to economic and social causes. The educational level of the parents and their economic situation, which determine their ability to fulfill the requirements of formal and informal accessory education, and the child's social surroundings all play a decisive role in the performance of the children during the examinations. Pupils whose parents can spend large sums of money for lessons "at home" are in a considerably more advantageous position than those who do not have this chance. Consequently, we have an inequality of opportunities. These findings, of course, are not unrelated to the way the economy has developed and welfare management has been planned in our country in the post-war years.

Consequently the government cannot claim that inequality of opportunities has decreased in secondary education and that therefore all Greek children can be dealt with by the same criteria. In order for this to happen, radical changes are needed which cannot be made within the framework of the present educational policy.

b) The national examinations have falsified the nature and purpose of the lyceum, converting it into a waiting-room where the pupils are crowded together and agonizingly compete to obtain a placing in the AEI (Advanced Educational Institutions). Thus, the lyceum has now stopped furnishing an education.

c) The level of formal and informal accessory education has not decreased.

d) The pupil is tested and graded only on the amount of his knowledge, without his personality, his talents, and his abilities being assessed as a whole.

e) The anxiety of pupils, parents, and teachers has increased, since the pupils enter into the cycle of accessory education from the A-level of the lyceum and attend school only to acquire the degree given there, and the professors are obligated to undergo all the sufferings resulting from the degradation of education.

EXORNISI: The new measures primarily touch on the examination system, abolishing the examinations in the gymnasia. What is the opinion of the teachers?

A. Nikas: The teachers do not agree with the proposed measure for the abolition of examinations in the gymnasia, nor do they accept the institution which has prevailed up to now, because they know the many disadvantages which it has. For this reason they have regarded abolishing the examinations as feasible only under the following conditions:

a) The entrance exams for the lycea should be abolished at the same time.

- b) The number of pupils per class should be decreased. Only in this way can there be any talk about individualization of teaching and a proper monitoring and evaluation of the pupils.
- c) The schools should be staffed by the requisite number of permanent teachers. (The YPEPTH [Ministry of National Education and Religions?] retains the institution of supplementary teachers whom it hires in October and dismisses in June, despite opposition to this by the profession).
- d) The hours per week of classroom instruction should be decreased.
- e) The material to be taught should be limited in extent in such a way that it can be covered in the school hours as provided for in the schedule.
- f) The schools should be fully equipped with up-to-date technical tools. (With the announcement of the new measures, it was said that the teacher is obliged to have a special file (dossier) for each pupil! But he will not have any place to put them, since often he has neither an office where he can write, nor a room to teach in).
- g) Further education should be given to all the teaching staff. Up to now, not only is further education not a wide-spread practice, but even the steps in that direction are being taken so hesitantly that their traces are almost invisible.

EXORMISI: From the findings which you have made, it seems that the new measures, which chiefly pertain to the examination system, do not solve the problem of secondary education. What is finally the explanation of the new measures?

A. Nikas: The examination question is an acute problem only in the lycea with their national exams, and it is there that the responsible government should have been searching for a solution first of all. Nevertheless, the examination system is incorporated into the entire educational program. The educational program sets objectives, and the examination system checks to see whether and to what extent the prescribed objectives are realized.

12114  
CSO: 4908

## DEFENSE MINISTER ON ADMINISTRATIVE REFORM, FOREIGN POLICY

Rome AVANTI in Italian 27 Sep 80 pp 8-9

[Interview with Defense Minister Lelio Lagorio by Libero Lazzadri: "A Socialist Defense Minister Is Responsible Above All for Italians' Peacetime Work"; in Rome, date of interview not given]

[Text] The primary importance of relations between the armed forces and civilian society; consolidation and function of the new military elites; the problems of career officers and noncommissioned officers; the necessities of the military budget; Italy and the present international situation.

The interview with comrade Lelio Lagorio, defense minister, was held in a room of the old, main palace on Via 20 Settembre: there were stucco ceilings, heavy doors, massive furniture, a meeting room where old officials were clearly "at home." One cannot help remembering that his office was held for decades by personages, generals, or politicians who were the representatives and delegates of a ruling class that conceived of the armed forces--and used them--as an instrument of power to be kept as jealously as possible away from civilian society, the workers, and the people.

[Question] I cannot avoid asking an obvious question, comrade Lagorio--and who knows how many times you've been asked this--how do you feel as an Italian socialist leader, the representative of a party with a long civilian tradition, one that is pacifistic, and sometimes downright antimilitarist, wearing the hat of successor to so many "ministers of war?"

[Answer] Yes, I often get this question; five months after being appointed to this job I am still often asked by visitors, comrades, voters, or citizens What can a socialist defense minister do that is socialist? I firmly believe that my duty as a socialist and as defense minister of the Italian republic is, in strict observance of the constitutional mandate, to be the very opposite--substantially, not in name only--of the old concept of the minister of war: the minister of peace, i.e. the minister who organizes the armed forces for the peaceful work of our people and who guarantees citizens the security to fulfill their own destinies and devotes himself to solving the serious problems facing the country in peace and in defense.

[Question] Then it is not a strictly military job, in the classical sense of the term.

[Answer] Correct. The problems will not be solved by enlarging the armed forces or giving them better, more sophisticated weapons. This problem does exist, but the

prime necessity is to carry forth the process, which was started with the war of liberation and the inauguration of the Republic, of democratizing the armed forces in the context of democratizing society, i.e. establishing stronger ties between the armed forces and society. The life of the citizen in uniform should become more like that of the citizen out of uniform, with the same guarantees of respectability and security. The army is no longer the king's army, an arm of the court without any ties to the people; it is not a separate body. The motivating ideal of its existence ought not to be and no longer is military rhetoric or an abstract conception of caste; the armed forces' legitimacy is in protecting the peace of the Italian people, interpreting in its particular work the aspirations, culture, and ideals of our people.

[Question] Then the problem of defense is first of all bringing together as much as possible and considering the specific tasks to be accomplished the way of life of citizens both in and out of uniform. What are you doing or planning to do to achieve this objective?

[Answer] I remember one, which is symbolic. When I took this position, the elections for military representatives were being held. This institution is found in few armies and is an accomplishment that does honor to Italian democracy. I took it upon myself to consolidate it.

[Question] During the parliamentary debate, some people thought the law was insufficient and restrictive from a democratic point of view.

[Answer] I know, but now the basic problem is to carry out the law more completely. In the election of representatives steps were taken to encourage the maximum turnout of voters and the widest possible dissemination of the candidates' platforms. Now the 880 first-level councils and the 27 intermediate councils need to be supported politically and logistically so that they may function regularly and continuously. We cannot permit military representatives to come to the end that other democratic representatives in our country have come to.

[Question] Like the school representatives?

[Answer] Which are dying off from consumption, i.e. from the representatives' own lack of interest and from the distrust of the people represented. We are continually seeking to have the law observed thoroughly and democratically and to have the omissions in the law repaired. No reductive or restrictive interpretation will be allowed.

[Question] And what about the Central Council?

[Answer] COCER [Central Council of Representatives], in cooperation with parliamentary committees and the ministry of defense, should become an important source not only of proposals but also of advice on problems of military life. As for the first-line councils and the intermediate ones, we are asking the regions and local governments to take an active part in them, which the law prescribes.

[Question] There has been dissension in parliament on the issue of military tribunals in peacetime.

[Answer] That's true. There is discontent at the fact that there are still military tribunals in peacetime. But abolishing them presupposes changing the constitution. Anyway, it should be mentioned that the new law is inspired by the most advanced

concepts of judicial practice. I should add that it provides for the right of appeal, for example, which did not exist before; and appeals court practice combines the two distinct processes of civil and military justice.

[Question] How about conscientious objectors?

[Answer] The present law is full of obstacles, but the revision is almost ready. It makes the right to conscientious objection easier and more practicable. This applies particularly to Jehovah's Witnesses, whose creed is protected by the constitution and does not permit them to substitute civilian for military service because the substitute service is directed by the military. A provision will provide an alternative to prison by allowing them to do civilian work under the direction of civilians.

[Question] What about the 350 prisoners now in Gaeta prison?

[Answer] They will be pardoned. The unpleasantness of Gaeta prison will be ended. It should be declared inactive in November and closed. I will get together with the ministry of cultural affairs to see what it will be used for.

[Question] Proposals, arguments, and debates have taken place recently on military service for women. What do you think about it?

[Answer] I will have more to say about "enlarging" the military profession to include women. In 1963, when parliament voted equality for men and women in public service, it provided that women in the armed forces would be covered by an ad hoc law. Thus, not only is there no exception for women soldiers, a law is prescribed for them. Of course, it is true that the armed forces have remained the last bastion of masculinism.

[Question] Won't you be the target of feminist fulminations?

[Answer] Why should I be? If you mean women belonging to groups favoring unilateral disarmament, then they oppose me because they are opposed to the armed forces in general. But the others? I think Italian society has changed; if women want and are able to, they may serve in the armed forces. I don't mean as nurses giving shots, as scrubwomen, or typists; I mean in actual military functions, in some of which, for example, women have been shown to be more able than men. Take telecommunications, for example.

I don't foresee drafting women, nor the creation of a "women's corps." Rather, I think women should volunteer and have access to all schools for officers and non-commissioned officers, possibly--at first--with a minimum number of guaranteed places reserved for them. I think that would make a large contribution to making the status of women nearly equal to men's and would have positive effects on the fundamental problem, which is that of making military society more like civilian society.

[Question] In many areas of our country there is an obstacle to be overcome in the conflict between what the citizens want and what the army requires in terms of military service.

[Answer] That is really a problem with no easy answer. It is not possible to eliminate military service; nor is it possible to dictate policy. Collaboration with the regions and local governments helps in this area.

[Question] Will there be an attempt made to demonstrate that not all areas are appropriate for substitute military service, on account of economy, tourism, territorial protection, etc.?

[Answer] For this very purpose we are preparing a national defense conference with the participation of the regions and local governments. Even now we can foresee a distribution of tasks that now fall upon a few regions. Also, the latest international political events suggest we need a new territorial redistribution of our defensive groupings and, therefore, a new kind of military service.

[Question] Maybe something should be done in exchange.

[Answer] This is the right approach to the problem, given the certainty of some form of military service. Besides, something is being given in exchange: in Sardinia, for example, brush fires are regularly fought by the armed forces. But think of our units' contribution during the Friuli earthquake; that is a classic example of military service. Another example is the Bologna bombing: the units intervened immediately after the explosion, and they had been trained according to a plan to help in case the station was bombed.

[Question] In a word, then, strengthen the army's capacity to help in case of a calamity.

[Answer] Yes, but not only that. We need to draw up a real plan of civil defense and study more organic forms of cooperation; for this we are counting on the conference I told you about, also because in addition to the problem of military service there is also that of exchange.

[Question] What's that?

[Answer] It is an old law that does not work well, one that I want to change. It involves abandoning historic military installations, garrisons, etc.

[Question] Regional army heirlooms.

[Answer] Right. The garrison in the center of the city symbolized possession of the city, and, as you know, the army was often called upon to keep order in working class districts, even at the cost of bloodshed. Now military installations are being moved out of town, and the empty buildings are being turned to other uses; they often are of architectural, historic, or artistic interest. Otherwise they are torn down. But this should be done in collaboration between the ministry, the regions, and the communes.

[Question] Don't you think that such measures will not only improve military efficiency but also promote harmony between the armed forces and the civilian populace?

[Answer] Certainly, especially if, as I said, decisions are made in concert with local representatives.

[Question] In the context that I have outlined so far, what is the problem with career soldiers who have a "crisis of vocation?"

[Answer] The skeleton of our armed forces is made up of 130,000 officers and non-commissioned officers on active duty. If a military man can work with peace of mind, he is more efficient. Peace of mind for the military, as for the civilian,

is provided by a decent living wage, by the concrete possibility of having a career, and by the security of a home, in both work and retirement.

[Question] But are these, so to speak, "material" incentives sufficient?

[Answer] Certainly not; the matter is more complex. We expect the utmost professionalism from our officers, and these are provided by military schools and academies and by continuing education, even abroad, so they are constantly being motivated and trained. Professionalism is a source of prestige in modern society. Our military men come from families at all levels of society, especially in the South.

[Question] That is the opposite of the armies of the nobility and the Piedmontese.

[Answer] They should not feel rejected by civilian society, pushed into the status of being practically a "separate body."

[Question] It seems to me that the "climate" around the armed forces has changed in recent times.

[Answer] Yes, by the efforts of political forces and military men. But there is still a lot to do at the level of psychology and content, thus, in legislation. There is, for example, the problem of accrediting the diplomas of the military schools and academies, establishing a parity with civilian degrees. All that gives the military prestige in its contact with society and offers alternatives to state employment for whoever leaves the service. This is true for both volunteers and draftees. In public employment examinations, it will be necessary to have quotas for former military, or a preference in case of ties.

[Question] But this does not resolve the problem of the "crisis of vocation" that is so alarming, especially among airplane pilots. The new civil service law does improve the economic treatment of career military, but it is obviously insufficient in some cases. And it will be necessary to grant an ad hoc indemnity scaled according to hazardous duty and service. This is the alternative to the pilot crisis. Otherwise we end up with loss of personnel in key sectors or with better-trained people being replaced by people less well prepared. Are you thinking of legislative proposals?

[Answer] Legislation in this area, too, goes only so far as the Badoglio laws.. He has two organic laws ready, one for commissioned and one for non-commissioned officers. The latter provides, among other things, for the possibility of eventually being promoted to commissioned officer rank.

[Question] How about draftees?

[Answer] My proposal is to raise their pay from 1,000 to 2,500 lire.

[Question] That's a pretty penny for the government.

[Answer] Yes it is, 100 billion lire a year for every 1,000 lire more, but it is the indispensable minimum. For the 1981 defense budget I will ask that the 1975 ceiling be maintained; it was set by parliament, with broad national agreement, and brought up to date in value plus 3 percent more set in 1978 by NATO, also in a situation of broad national agreement.

[Question] Will this budget also meet the need for technical modernization?

[Answer] The extra 3 percent will go for weapons and technical modernization, the criteria being a prudent choice of arms and training systems.

[Question] In any case, the allocation will be high for this budget.

[Answer] Percentagewise, this country allocates the least to military expenses, aside from Luxemburg. In absolute terms, it is a huge sum, 6 trillion lire in 1979. But if it stays below 6 trillion lire--in actual values of 1979--it is money thrown away; it would be better to disband the armed forces, because they could not guarantee the minimum of effectiveness and, therefore, of credibility for our policy, which is determinedly one of peace and, for this reason, one of jealous defense of our national independence, i.e. of our people's cultural and social achievements, which the armed forces have the task of protecting.

[Question] As "minister of peace," are you aware of the apprehension in public opinion, at least in the most informed opinion, at the clouds gathering on the horizon? What are the prospects for nuclear arms treaties in Europe? What will the consequences be of the "Carter plan" for nuclear weapons? How is the Libya-Malta dispute progressing? And the Iraq-Iran war, where there is talk about Italian advisors on frigates sold to the Baghdad government? And the coup d'etat in Turkey?

[Answer] Foreign policy would require a speech all by itself. Here, briefly, I may say that for some time we Socialists have been exerting pressure on public opinion, parliament and the government for Italy's voice to become more authoritative in international affairs. I am convinced that a country like ours, because of its geographical position and its industrial potential without temptations to imperialism, colonialism, or hegemony, ought not to roll over and play dead for others' policies. It has a role of its own to play, especially in the areas closest to it, particularly in the Mediterranean. We are a peaceful nation; we can and must work to extend calm and detente. Someone has said that there has been a reawakening of Italian foreign policy recently. I think Socialists have contributed notably to it. More particularly: (1) Euromissiles. We support an East-West treaty to make them superfluous and to stop the process of arming the Warsaw pact with nuclear weapons. (2) Malta. The agreement is a first step in a policy of friendship that we wish to extend to other countries of the Mediterranean, including Libya. There are some things that have to be cleared up with Tripoli that do not add to a good reciprocal relationship, but I think it is possible. (3) The Persian gulf. The use of arms is the worst solution. (4) Turkey. Dictatorship doesn't solve anything. In particular, we are supporters of Ecevit and the People's Republican Party, which is part of the Socialist International.

[Question] In the five months of your directorship of the defense ministry a lot of initiatives have been taken.

[Answer] Actually, parliament has done a lot of work formulating and developing proposals. In the past I, too, sought to give the PSI's [Italian Socialist Party's] contribution to solving problems in the public sector, and without too much fuss. The point to be emphasized is that parliament, and particularly the Parliamentary Commission on Defense, have a minister who is ready to receive and put into practice the decisions they make, to help various political groups, even in the opposition, to present bills, and to see that laws already passed are enforced. How else could a socialist defense minister act as a socialist without continuously working with the largest organization representative of the people?

## SOUTHLAND'S FUTURE SEEN PROMISING, IMPERILED

## CONFAPI President Interviewed

Messina GAZZETTA DEL SUD in Italian 2 Oct 80 p 16

[Interview with Giuseppe Spinella, president of the Italian Confederation of Small and Medium-Sized Industry, by Aldo Sgroj, in Rome]

[Text] New Opportunities opening up for the South, says Dr Spinella: They must not be missed. One is the agreement between the National Hydrocarbons Agency (ENI) and CONFAPI. Regional and communal bureaucracy needs toning up, fining down.

Rome -- The great debate over the Mezzogiorno is not over. Not only because of the government crisis, which certainly isn't helping matters, but because we are almost at the expiration deadline for PL 185 and, even more important, because of certain significant rapprochements reached at the recent Bari conclave by political, union, and industry forces. The meeting of the minds -- be it noted -- came over the political readiness to meet the growing needs of the southland while continuing the special measures already in effect, and on the advisability of a radical restructuring of the legal and regulatory machinery, beginning with the Southland Fund [Cassa per il Mezzogiorno].

Everybody seems to agree on two counts: the Mezzogiorno will go on getting special aid but the system for delivering such aid must be changed from what it has been in the past. It is precisely on the issues of the machinery and on approaches to a solution that the debate is still wide open: as of now, there is no sign of so much as an agreement on principle. The political parties, the labor unions, and the industry people have thus far avoided any unseemly squabbles, but it is clear that the wide diversity of views aired in several forums, coupled with the crisis this week in Rome, constitute the biggest single obstacle in the way of the survival of the government's bill, drafted by Nicola Capria, minister for extraordinary aid to the South, past the 31 December deadline for the dissolution of this parliament. And as if that were not enough, the defeat of the super-decree law, on which both organized labor and the political parties were counting to provide practical intervention on behalf of the south, creates new problems and may well mean further delays to the detriment of the southern populations.

What avenues should be tried to give practical meaning to the determination that will surely galvanize the new government to solve the question of the Mezzogiorno? We talked about that with Dr Giuseppe Spinella, 58, a Reggio-born southerner himself, who for more than 3 years has headed CONFAPI, the organization of 25,000 small and medium industrial companies employing at least 1.25 million people.

[Spinella] There is no doubt that the new government must continue the policy of special assistance to the Mezzogiorno. The real issue, though, is not Fund or no-Fund. Let the Fund go on, but on a footing of up-to-date restructuring that takes into account, above all, the need for coordination of the various agencies involved so as to avoid harmful competition, and for a sound definition of the responsibilities of the Cassa on the one hand and of the regions on the other. This tidier ordering of jurisdictions would not only help prevent futile and costly jurisdictional wars, but would also encourage a trend toward efficiency in the southern regional governments, some of which are most certainly backward in this process of evolution.

[Sgroj] Briefly put, we must create the conditions for achieving a degree of alacrity and nimbleness in operations. This is a particularly critical point -- in CONFAPI's view -- toward industrialization of the Mezzogiorno. The incentive policy is all very well, of course, provided it is backed up with some policy of timing. If not, the Mezzogiorno is doomed to still more humiliating delays.

[Spinella] It is not merely a matter of incentives: the real problem is to cut down the time it takes to get action. I'll give you an example: in the north, the time elapsed between the decision to set up a plant and that plant's start of operations, including finding industrial premises to rent, is 4 or 5 months; in the south, the same process will take more than 2 years. With time parameters like those, no incentive in the world will make anybody decide to locate in the south. It is at the regional and communal levels that we must speed up procedures to the utmost, and force them to accept the concept of speed. Nor will that be enough. There is a whole lot to be said flatly to southern mayors, who, in our view, ought to take a more careful look at industry's problem, and relax their stubborn stranglehold on indiscriminate controls over plant siting. I can understand how certain disappointments over the siting of major industrial plants have given rise to a degree of mistrust, and thus to an understandable desire to get a good long look at future decisions of the sort. But it is equally true that a less grasping fiscal attitude on the part of their honors -- after all, the risks in cases of plant sites for small and medium industry are far smaller -- would evoke greater understanding on the part of industry.

[Sgroj] At a time when big industry is in deep trouble all over the country, small and medium industry which, on the contrary, is showing signs of energy and spirit, could take over a role of its own in the industrialization of the south. There are those who see the outlines for such a development in what is called the "Adriatic model for development" based on small and medium industry which would spread out

from Bari and other areas in Apulia to embrace a great many southern regions. In Calabria and Sicily, though, this model appears to be a bit slow in catching on.

[Spinella] I don't like to be dogmatic, so I would not talk about Adriatic development. For 3 years now CONFAPI has been working on its own policy for small and medium industry. You have classic examples of it in Tuscany, Lombardy, and Piedmont. The same thing can happen in the south. But, as I was saying just now, you have to have some get-up-and-go on the part of regional and communal administrations. One way to get results would be to opt for consortium mechanisms: plant siting, production, marketing, public works -- the whole bit. It is toward these goals that the legislative and regulatory tools for Mezzogiorno development (the Cassa, IASM, FORMEZ, FIME [expansions unknown] and the rest) should be directed, coordinating and integrating their activity with that of local agencies.

[Sgroj] Our production system is beginning to show ever more severe symptoms of the crisis in big industry, a crisis which may well drag down small and medium industries if adequate measures are not taken (and the fall of the government is a serious handicap in that area).

Spinella voices some concern over this point:

[Spinella] CONFAPI is convinced of the need for saving the big corporations, but to do it with an industrial policy design that turns its role to advantage and expands it. To do this, we must get out of the blind alley we would find ourselves in by allowing the troubles of big industry to fall heavily on the shoulders of the small companies. The strategy CONFAPI proposes and the one which has to do with the industries in which production integration is typical, calls for doing away with the simple sub-contractor or supplier relationship and the introduction of patterns of integration between big and little companies in venture capital. This would avoid incidents of wildcat decentralization and proliferation by encouraging collaboration at the technological process level and in investments, and would lead to an overall increase in productivity in the industrial system which would also make it possible to perform a fruitful reorganization of major industry.

[Sgroj] How much of a chance can we hold out for the medium-term plan to solve the industrial crisis in our country?

[Spinella] There is no shortage of chances, although I must say at the outset that any over-tight squeeze on credit (and we shall be feeling the consequences increasingly in the next few days), if continued indiscriminately, may well shut down the entire industrial sector. The brakes must be put on credit selectively, allowing for a sound amortization policy and for the accumulated reserves industry risks under the conditions for choosing new sites for increasing its return on investment. In that direction you can also find the proposal put forward on several occasions by CONFAPI to exempt reinvested corporate profits from taxation, an idea that is also urged in the European Parliament's resolution on small and medium enterprises.

[Sgroj] Now that the sun has set on the day of giant installations -- and Calabria, after its painful experience with Lamezia, Gioia Tauro, and Saline, is paying a very heavy price for it -- what sort of role could CONFAPI play in the renewed commitment to solve the south's problems? And in that context, what significance do you attach to the recent ENI-CONFAPI agreement?

[Spinella] Certainly I would attach enormous significance to it in that it marks the start of a process in which we have a very keen interest: the process of providing a new start for small and medium private enterprise, either located or to be sited in the southern regions, encouraging an industrial policy aimed at utilizing the vast amounts of technological know-how and marketing savvy the ENI group commands. On the basis of this agreement an ENI financial holding company can underwrite as much as 49 percent of the capital for new companies planning to locate in the Mezzogiorno, while the remaining shares would be taken up by the private entrepreneur. In short, this is a new opportunity for the South, and it must not be allowed to slip away.

#### Economic Problems of Calabria Discussed

Messina GAZZETTA DEL SUD in Italian 5 Oct 80 p 4

[Interview with Rocco Prattico, president of the industry association of the province of Reggio Calabria. Name of reporter, place and date of interview not given.]

[Text] Defeat of super-decree law deepens economic crisis. Situation turning grim for Calabrian companies, Mr Prattico says. Investments will slump again while government aid to Gioia Tauro goes up in smoke. The methane production plant plans are in limbo.

[Question] The government in crisis, the economic decree defeated, the region practically without a government for 6 months, now. It is a heartbreaking picture, in which Calabria, unfortunately, seems to be singled out for a string of misfortunes that doom it to play the role of the "south of the south." What is the outlook? We talked about that with Rocco Prattico, an engineer, who is president of the industry association of the province of Reggio Calabria.

[Answer] The most serious and disquieting consequence of the defeat of the economic measures launched last July by the government come as a blow, even in this tragic situation, to the south as a whole. There is in fact the distinct risk, as was also pointed out elsewhere, that the failure to enact those measures into law will entail a drastic reduction in employment levels, while for thousands more Calabrians there is the likelihood that the prospects for finding a job will grow even more uncertain and out of reach. In practical terms, we are going to be short some 3,500 billion lire in investments. Calabria will pay the heaviest cost, particularly the province of Reggio, since the defeat of the bill has already sent to the shredder all the

projects for intervention, just getting started after lengthy negotiations and exhaustive compromises, through which the intention was to start some of the practical commitments of the original package -- which had, in the meantime, been thoroughly and repeatedly gutted -- and to provide incentive for the recovery of a productive fabric that was already extremely fragile and vulnerable.

[Question] In practical terms, just exactly what are the evil consequences that might stem from the defeat of the bill to the just-completed plans for development of the entire Calabrian region?

[Answer] One might begin by saying that, owing to the defeat of the tax measure, we face the loss of the sizable contribution that industry, particularly southern industry and even more particularly Calabrian industry, which is operating already in a state of serious and widespread crisis, could have received under the measures designed to allow recovery of adequate margins to survive and compete through the planned relief for corporate taxes and thereby to make management of small and medium industry, in particular, less rigid. It is clear that in such a situation there will be still deeper freezes on investments.

[Question] In your opinion, would it be feasible to activate machinery on a regional level to cushion the impact of the consequences of the defeat of the economic recovery provisions?

[Answer] The region would unquestionably have access to and power to mobilize considerable resources for investment purposes, but aside from the fact that the junta in office at present, pending election of the new regional government, could not operate effectively, it must be said that such efforts in and of themselves would be short-lived and only partially effective and would in any case be totally inadequate to the vastness and complexity of the problems to be dealt with. It is necessary, therefore, that everyone be fully aware of the gravity of this issue. Let's spell it out clearly: in the gloomy scenario emerging in the wake of the defeat of those measures to which most of the programs for Calabria were attached, the one sure thing is that our chances of containing and resolving the gravest aspects of the Calabrian crisis, in the context of an economy inherently weak and now sapped by inflation, are far, far slimmer.

One need only consider, as we were saying, that this turn of events means that there will be no intervention for Gioia Tauro, and that in turn means no Oto-Melara plant (which was to provide 700 jobs), financing for which was already authorized under a specific article in the decree, plus an additional appropriation of 50 billion lire for the EFIM endowment fund. Also stopped in its tracks, to all intents and purposes, is the plan for methanization of the Mezzogiorno, within which Project Calabria naturally had a place. Defeat of the decree also contributes to further tangling of the already complicated matter of Liquichimica di Saline, a matter connected with ENI financing under the explicit authority of the State Petroleum Agency for managing and restoring the economic health of both the SIR and of Liquichimica.

[Question] What was industry's reaction to this blow?

[Answer] We are deeply concerned at the situation that has come about because we are keenly aware of the difficulties besetting the entire production system in Calabria, and because we believe that the few strong points that are still holding out despite the depression that has prevailed for years in this stricken region could not stand another very serious erosion. We must sharply emphasize the point that our economic structures, as well as those of industry, have reached the breaking point, and that signs of deep tensions are once again showing in Calabria. We must therefore make use of all the channels made available by local administrations to ward off the very real danger that the situation will explode and eventually become uncontrollable.

The events of recent days have of course spread amazement and dismay among Calabrian companies which now find themselves without any clear legislative compass, particularly in relation to taxes, but will have to absorb the impact of further monetary measures. As in fact it was quite predictable, in the absence of any real measures to shore up the economy, what we have now is a recurrence of the credit squeeze as a dam against inflation, and the adverse effects of this make the industry position even more painful. Another credit squeeze coming on top of the already recessive phase of the entire Calabrian economy and reflected, after the hike in the discount rate from 15 to 16.5 percent, in still another very great increase in money costs (more than 25 percent) which strike hardest at the small and medium companies in the industrial sector. A genuine freeze for industry and on the very outlook for growth in some initiatives, since an economic policy that relies solely on emergency monetary measures can only further inflame the crisis in the poorer regions, such as Calabria.

[Question] In that sort of situation, with so much confusion and so many contradictions, what steps can the industry organizations take?

[Answer] As an association of entrepreneurs we are asking, right now, that the government, using every suitable device available, do what must be done to set expeditiously about seeking a way to fill the vacuum that has been set up in the law, approving those measures designed to guarantee employment levels and to move ahead with all possible speed in making the planned industrial investments in Calabria and in the province of Reggio. We shall also work for the passage and implementation of measures designed to improve the conditions under which our industries must operate.

I would add that we shall have to move fast, because as of now we have only a very slim margin of time and because it is unthinkable for a region, a province, to remain in a position of permanent conflict with the government, in a continual struggle against the indifference of the authorities, after almost a decade on a dizzying merry-go-round of commitments routinely brushed off and of promises made and broken.

[Question] Looking at the overall picture in the south and in Calabria, are there other problems which you industry people as a group feel are important to development?

[Answer] Of course there are. We mean to call attention to the now imminent expiration date for PL 183, setting up the Cassa per il Mezzogiorno. Calabria is one of the regions most deeply concerned at the fate of this special aid. The latest woes of the economic bill and the fall of the government may bring a lull in the hitherto flourishing debate among political spokesmen and industry circles over the new aspect of southern policy. That is a risk we must avoid at all costs.

As an industry association we shall take to the appropriate forums to press our views on the need for restructuring and rescaling the Cassa in its functions and in its apparatus, to free it from the red-tape restrictions that have sorely compromised its innovative nature and to adapt it to the new regional structure. Before we set to work on the machinery, though, we should reconsider, for the decade of the Eighties, the entire strategy of special intervention, and define its contours, its objectives, and its guidelines. And this will mean, among other things, spelling out in a clear set of planning guidelines, the mechanics of the interface between the Cassa (or the suggested "agencies") for special intervention and the regions, and assigning suitable working tools and managerial cadres for managing intervention by regional and sub-regional bodies.

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CS0: 3104

## GOVERNMENT DEBATES WAGE RESTRAINT, TAX PROBLEMS

## 'Social Partners' Involved

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 10 Oct 80 pp 1-2

[Text] The Hague, 9 October--Premier Dries van Agt, recovered from an indisposition which kept the second chamber's budget debate in suspended animation for 24 hours, told the house today he would take parties' suggestions to employers and trade unions for their comment.

The premier, who had earlier indignantly rejected criticism that his government failed to govern, said he would ask the 'social partners' for their opinion on parties' suggestions on how to keep next year's wage rise under 8 percent.

He said the government had an open mind on the proposals and would not give an opinion yet, adding: 'We shall see whether they are feasible in the short term.'

The premier pointed out that his cabinet had made choices and had proposed agonising cuts, but he stressed that it had to operate within narrow margins in the social sector, in health care and on civil servants' pay.

## Choice of Cuts

The cabinet was looking for ways to curb pay costs in the sphere of primary incomes and not in that of taxes and social security contributions, as the latter course would give an extra boost to the 'black money circuit' (earnings not declared for taxation and social contribution levies), Mr Van Agt said.

He saw no use in a further reduction of income differentials, noting that 75 percent of the Dutch were earning less than 67,000 guilders a year. He claimed that few countries had a more equitable distribution of incomes than the Netherlands.

Mr Van Agt stressed that wage cost restraint should be the pivot of employment-promoting policy. He roundly rejected a Labour suggestion for providing more jobs in the non-commercial services sector, saying it would prove to be 'a stone round our necks' once revenue from natural gas turned down. Job creation should take place in industry, he felt.

Noting that every year brought 40,000 to 50,000 school-leavers on to the labour market, he said part-time work could be a major weapon in combating unemployment.

## Housebuilding

The premier rejected pleas for an increase in housebuilding, but assured the chamber that the government's target of 100,000 new houses this year would be comfortably reached. Of this number 96,000 would be subsidised houses, he said.

After a whispered conversation with Housing State Secretary Gerrit Brokx, he added that the government planned to approve at least 100,000 housing starts in 1981, and said any attempt to revise the programme as advocated by the Labour party which wants more houses built, could only cause disorganisation.

Mr Van Agt said he was seeing a growing tendency among investors to put their money in housing.

He told members who disagreed with government plans to make extra cuts in teachers' pay to put forward other options.

He admitted that a 265-million-guilder pay cut was 'painful,' but said it was less so than axing 4,000 teaching jobs.

## Tax Plan Announced

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 15 Oct 80 pp 1-2

[Text] The Hague, 14 October--Prime Minister Dries van Agt today held out the prospect of a major cut in wage and income tax on 1 January in exchange for agreement to slash the 1981 wages bill by at least two per cent.

Agreement on the government plan is to come from employers and trade union leaders who have so far failed in tripartite talks with the government to come to terms on next year's wages and other terms of employment.

The Prime Minister, who said he was buoyed by parliamentary support for wage restraint, said the proposed cut in direct taxes would have to go hand in hand with compensatory increases in indirect taxes.

He was speaking in the second chamber during the resumed political debates on the 1981 state budget which is based on forecasts that next year's wages bill will rise by eight per cent.

Mr Van Agt said he saw a two per cent cut 'but preferably more' as sufficient to qualify for the major cut in wage and income tax proposed.

## Financing Deficit

The cabinet has already agreed, in the event of two per cent restraint, to boost the financing deficit by one billion guilder to finance measures aimed at improving the industrial structure.

The prime minister said he was pleased that a large majority of the second chamber had come out in support of wage restraint. This majority he said included the parliamentary CDA, liberal VVD, D'66, DS'70 and the two small protestant SGP and GPV parties.

Backed by this support the government would submit its plan to the next round of talks with employers and trade unions, he said, adding: 'If on this basis a good policy is drafted and implemented in 1981 it will enable us to earmark more funds for direct measures aimed chiefly at stimulating the building industry and regional policies.'

The indirect tax measures the government had in mind were an increase in the low value added tax rate (from four to 4-1/2 percent, as proposed), the transfer of some goods from the low to the high (16 percent) rate, an increase in the high rate and an increase in some excises, he said.

#### Gas Prices

He announced that the government would raise the natural gas price charged to small consumers as planned on 1 January and again in the course of 1981.

It planned to raise the gas price once every 6 months instead of annually as at present. Any additional increase in 1981 would be discussed with the employers and trade unions in the framework of the tripartite talks on next year's terms of employment, he added.

The premier advised the chamber to throw out Labour and Communist motions which oppose the 1 January price increase, pointing out that even after the increase the price of natural gas would still lag far behind that of domestic fuel-oil.

He advised Labour leader Joop den Uyl to practise more restraint in criticising unemployment, pointing out that the number of jobless had risen to over 200,000 during his term of office as prime minister whereas the objective had been to reduce it to 100,000.

Mr Van Agt said that 475,000 new jobs were required to reduce unemployment to 150,000 in the next 5 years. It rose to a new post-war record of 265,000 last month.

#### Lubbers Motion Adopted

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 15 Oct 80 p 1

[Excerpt] The Hague, 15 October--The second chamber last night sent the government to talks with employers and trade unions next Tuesday with a package of desires which would raise the government's financing deficit by at least one billion guilders next year.

A motion submitted by CDA floor leader Ruud Lubbers finally obtained the support of the other government party, the Liberal VVD, which had first announced it could not back it.

The Lubbers motion calls for an extra-high VAT rate on luxury goods, for omission of the cost-of-living adjustment of wages on 1 January 1981, and an income tax reduction to compensate for the resultant loss of purchasing power.

Labour floor leader Joop den Uyl led the opposition in voting against the motion, saying his party would not stand for such tampering with wage-indexing.

He also set his face against the proposed tax cut, which will cost the treasury 3 billion guilders next year.

A Labour motion, saying the one-time omission of wage indexing would be acceptable if the spending power of the minimum incomes were guaranteed, was defeated.

#### Minimum Incomes

Mr Lubbers, although he voted with his party against the Labour motion, called on the government to do its utmost to preserve the spending power of the minimum incomes and take more off the higher earnings. (The government proposals mean a 1 percent cut in minimum spending power and a 3.5 percent cut in the purchasing power of the higher incomes).

The cabinet will now take the Lubbers package and its own proposals to the employers' and trade union federation next Tuesday in an effort to persuade them to accept voluntary restraint.

The usually well informed Amsterdam newspaper DE VOLKSKRANT suggested that the Liberal VVD party had finally decided to 'swallow' the Lubbers motion to prevent the cabinet from going to the 'social partners' without any expression of the second chamber's sentiment.

#### Other Motions

The chamber also adopted a CDA motion urging the government to see to it that permits for 60,000 housing starts will be issued before mid-1981. Only the Labour and PPR parties voted against.

CSO: 3120

## BRIEFS

NATO STORAGE FACILITIES PLAN--Almelo, 16 October--The defence ministry today denied a statement by Labour floor leader Joop den Uyl that Holland would build only one Nato storage facility (in Brunssum, Limburg province) instead of four. This meant that the plans still stood to build such facilities also at Emmen in Drenthe province and at Hardenberg and Almelo in Overijssel province, a spokesman for the ministry said in reply to questions about Mr Den Uyl's statement in Almelo on Wednesday night. 'Nothing is known about a change in defence policy. The preparations are proceeding as planned, as may appear from the fact that preparatory talks will be held shortly with the municipal administrations of Almelo and Hardenberg,' he said. In Emmen two storage sites were being planned--one for materiel and one for ammunition. The Almelo and Hardenberg sites would be used for the storage of materiel. The municipality of Emmen would decide in October whether it would cooperate in building the facility there. The municipality of Brunssum and the defence ministry had meanwhile reached agreement on the plan to set up a mobilisation depot there, the spokesman said. [The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 17 Oct 80 p 5]

CSO: 3120

## NAVY PREPARES TO DEFEND AGAINST GUERRILLA MOVES ON OIL RIGS

Oslo AFTENPOSTEN in Norwegian 30 Sep 80 p 10

[Article by Liv Hegna]

[Text] The Norwegian Navy's weapon against guerrilla warfare at sea, torpedo boats, will be given a higher priority by naval leaders. That is the opinion of Captain Johan Lilleheim who is just ending 3 years of duty as weapons inspector. "The technological level of our ships must be high if we are to be able to meet an enemy on an equal footing," he said. He would rather see a reduction in numbers rather than poorer quality when it comes to the 14 new torpedo boats that will be delivered during the 1980's.

"There are quite a few torpedo boats now but the goal is to have as many as possible equipped and manned at all times with the idea that this should be a first line of defense that can be used among other things to insure that other defense divisions can be mobilized and that outside help has enough time to arrive," said the departing inspector of torpedo boats (TKB), Captain Johan Lilleheim. He said that one of the problems he had to deal with during his period as inspector was that these weapons are a so-called "low seniority" type, which means that people with lower ranks are named as leaders there.

"This makes it easy to get pushed into the background when it comes to setting priorities in the total defense framework. Within a military system people tend to pay more attention to those with higher ranks when everyone is asking for funds. But recently there have been indications both from analyses and from statements in various quarters that the TKB system should be given higher priority. We have noted a gradual rise in interest in this type of defense," Lilleheim said. He said an enormous technological development had occurred in recent years which calls for higher personnel standards.

Since the new torpedo boats of the Hauk class are becoming more expensive the number will be reduced. Is that a serious problem?

"We must stay above a certain minimum number if the weapons system is to have the defense value we are aiming at which primarily involves mobility and the capacity to turn up where a hypothetical enemy would least expect it," said Lilleheim. Asked if they should have made concessions on the technological level of the new boats in favor of increased numbers, he replied:

"That might be said but the navy must maintain a technological level in its vessels that will give them a real chance to meet an enemy we know is equipped with very advanced maritime technology."

Captain Lilleheim is happy to look back at 3 years in which the TXB weapons system experienced growth. First and foremost he stressed the establishment of a squadron in North Norway, calling it a positive move, not least for social and family reasons, but also with regard to preparedness. Now the vessels can be at sea for 17 or 18 weeks a year as opposed to 25 in the past and still maintain the same degree of presence in northern waters.

Lilleheim also viewed as a positive move the setting up of a separate school to handle the practical training of naval personnel all the way from leadership courses to the training of ordinary sailors so that they are better equipped when they turn up for operative service.

But the captain was most encouraged by the fact that it was possible on a trial basis to arrange jobs and program free time, working time and leaves for personnel for a whole year in advance. Lilleheim hoped the new job time plan will be accepted by naval leaders.

"With flexibility in the system it is also possible to make adjustments for the provisions of the Job Environment Act when necessary without affecting our effectiveness to any noticeable extent," said Johan Lilleheim.

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CSO: 3108

## ARMED FORCES TO ASK FOR DOMESTICALLY MADE AIR-SEA MISSILES

Oslo AFTENPOSTEN in Norwegian 30 Sep 80 p 40

[Text] The Norwegian Air Force's new F-16 planes will be equipped with Norwegian air-sea missiles of the Penguin Mk3 type. Both the head of the armed forces and the Defense Ministry support this alternative according to the latest issue of FORSVARETS FORUM. In a comment to AFTENPOSTEN undersecretary Bjorn Bruland said that no final decision has yet been made but the ministry will announce its choice of missiles within the next few weeks.

AFTENPOSTEN has learned that the armed forces plan to buy about 100 missiles of the Penguin Mk3 type, an improved version of the missiles already used on Norwegian naval vessels. After the missile is fired it finds its own way to the target.

This month Kongsberg Weapons Factory conducted several test firings of an improved version of these "naval missiles," a trial described by undersecretary Bruland as 100 percent successful.

If the coast guard gets the go-ahead to develop an airborne version of these missiles for the F-16 planes it will be an industrial project of considerable size. The cost will probably be up around a half billion kroner.

The selection of a missile system for the F-16 has been postponed. According to FORSVARETS FORUM cabinet minister Thorvald Stoltenberg has now made his choice and the Defense Committee will be briefed as soon as Storting convenes. When Storting is asked to confirm the missile selection later it is unlikely to be a unanimous choice. Statements from opposition representatives suggest that opinions will differ sharply, according to the publication.

One of the objections to the Norwegian Penguin missiles is that it is unlikely they will be ready for use before the last half of the 1980's while the American Harpoon missiles could be delivered much earlier.

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CSO: 3108

## CABINET SHUFFLE INDICATES SERIOUS PROBLEM IN LABOR PARTY

Oslo APTENPOSTEN in Norwegian 4 Oct 80 p 2

[Editorial]

[Text] An even weaker government and a party involved in a serious internal conflict--that is the ruling party's gift to the opposition prior to the 1981 parliamentary election. With the reconstruction of the cabinet which Prime Minister Odvar Nordli was forced to undertake in haste following the resignation of three cabinet members we would have expected the prime minister to do his best to strengthen the cabinet as a body. But for that to succeed it would not have been enough to find replacements for Andreas Cappelan, Bjartmar Gjerde and Inger Louise Valle, for whom it would have been hard to find political equals anyway, at least with regard to the first two. A more extensive reshuffling would have been needed to give the government a face lift as well as to strengthen the political effectiveness of the government. We would think both were urgently needed now, less than a year before the election.

The results of the cabinet changes are surprisingly meager and show that the critics were justified in saying that the prime minister should have taken more time to think it over. It is safe to say of the three new cabinet ministers that none of them are prominent political figures but we should not pass judgment before they have had a chance to show what they are capable of doing in their new positions.

Arvid Johanson--Gjerde's successor as oil and energy minister--has a long and extensive history of parliamentary experience, something that will probably be very useful for the head of a politically demanding ministry. But as one of the formerly widely-discussed "silver boys" he has never--in contrast to the prime minister--come up into the heavyweight class. He has really gained national prominence only once and as many will recall that was in connection with his singular "balloon appearance" at the last Labor Party congress. Today he is a member of the royal council.

Oddvar Berrefjord is once more taking over as head of the Ministry of Justice, apparently guaranteeing that Cappelan's line will be continued not only with regard to criminal policy but also in other vital areas. And this circumstance led to his candidacy being met with some opposition in party circles this time. We consider this promising.

The appointment of LO [Norwegian Federation of Trade Unions] secretary Harriet Andreassen as the new minister of labor and municipal affairs is the government cabal's only experiment. She is a blank page in the national political and parliamentary context. Things may go better than anticipated but we have seen that experiments of this kind can become something of a political fiasco. We must wait and see--and wish the new municipal affairs minister good luck.

In an overall evaluation of Prime Minister Nordli's latest government shuffle it can only be noted that the government's position has been weakened. In addition there will be internal party criticism about the method used. Along with many other things this will help intensify the power struggle prior to next spring's national congress. Today it must be apparent to most people that the leadership question is far from settled no matter how often Reiulf Steen declares his willingness to continue.

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CSO: 3108

## PAPER COMMENTS ON EVENSEN'S SUPPORT OF NUCLEAR-FREE ZONE

Oslo AFTENPOSTEN in Norwegian 8 Oct 80 p 2

[Editorial]

[Text] Ambassador Jens Evensen has made it a point of conscience to tell the Norwegian people of his ideas about how the world can achieve detente. Some of us may also have a conscience we are struggling with but most people are aware that if one decides to make this inner anguish public one should also be prepared to take the consequences. Jens Evensen can't possibly imagine that his solo performance at the national congress of the Norwegian Chemical Industry Workers Union will be accepted as the musing aloud of a private individual.

There can be divided opinions as to the ambassador's political vision. But Jens Evensen is also a prominent official entrusted with difficult tasks of great national importance. It is not permissible for a person in such a position to act as provocatively toward a government he once belonged to himself without its having personal consequences.

Jens Evensen rejects the idea of advance storage of American military materiel in Norway and he has advocated making part of Europe a nuclear-free zone. This is an open declaration that he opposes vital aspects of our national security policy. But the ambassador is also the man in charge of Norwegian negotiations with the Soviet Union on the dividing line in the Barents Sea. Our relations with Moscow are an important part of Norwegian foreign and preparedness policies.

It should be a matter of course that an official in such a responsible work sector completely shares the government's views on all aspects of our foreign and defense policies. Jens Evensen has admitted that he does not. But doesn't that place him in another conflict with his conscience? He must realize that he can no longer be one of the government's most trusted officials. If he does not understand this himself the political authorities must make sure that he is relieved of his political duties.

In the party to which he belongs Jens Evensen's fire bomb will delight some and dismay others. Opponents of the government's security policy have acquired a supporting player they will utilize to the utmost. It is easy to predict that

Jens Evensen's move will provide the left wing of the Labor Party with fresh ammunition. But this means continued unrest and new bitter conflicts out in the open and behind closed doors. This would not only weaken the party to which the politicizing ambassador belongs, it would also help increase the uncertainty among our allies with regard to Norway's place in NATO.

Ambassador Jens Evensen is concerned about nuclear-free zones. This is a detente formula which has been given the name of the Finnish president. At this time King Olav is the guest of President Kekkonen and one of the members of the royal party is Foreign Minister Knut Frydenlund. Jens Evensen has found this visit a good opportunity to place the foreign minister--and his political leader--in a painful situation. For Frydenlund has no choice but to give his host country the impression that now as always Norway rejects the Kekkonen plan. Also on this Nordic basis Jens Evensen's move was not only tactless but unusually lacking in instinct.

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CSO: 3108

## POLL: MAJORITY FAVOR LABOR PARTY'S INDUSTRIAL DEMOCRACY VIEW

Oslo ARBEIDERBLADET in Norwegian 3 Oct 80 p 6

[Article by Nils Ottar Ask]

[Text] Kare Willoch is out of step with the majority of Norwegians in his view on expansion of industrial democracy according to a survey conducted by the Norwegian Opinion Institute for OKONOMISK RAPPORT.

While Willoch and other nonsocialist politicians have warned against giving employees half the representation in the controlling organs of firms, the survey shows that 61 percent of the population favors such an expansion of industrial democracy. There were 32 percent who opposed this idea and 7 percent didn't know.

The responses were based on the assumption that the stockholders would retain a majority due to the double vote assigned to the chairman.

There was little difference in the responses of men and women. There were also small variations due to age groups and residential location.

The survey did reveal differences between parties. But only among Conservative sympathizers did over 50 percent oppose expanding employee representation to half. It is worth noting that a good 44 percent of Conservative voters supported a 50-50 division between employees and stockholders while 51 percent opposed this idea.

Except for the Conservatives only Center voters had a majority of those opposing this concept, with 42 percent for and 47 percent against. Among Labor voters 75 percent favored giving employees half of the representation while 21 percent opposed this. The figures for the Christian People's Party, SV [Socialist-Left Party] and the Liberal Party the figures are 41, 79 and 77 percent for respectively and 40, 9 and 20 percent against.

"The survey does not surprise me. We have had a clear impression in LO [Norwegian Federation of Trade Unions] that we were in line with the majority of the people when we advocated expanding industrial democracy," LO chairman Tor Halvorsen told ARBEIDERBLADET.

"But I think it is interesting that there are so many Conservative supporters who favor our stand in view of the Conservative propaganda and anxiety about property rights," the LO chairman said.

Halvorsen also said that the Skytoen committee which studied the proposal to expand industrial democracy is planning to present its report next week. The committee's recommendations will be presented at the Labor Party's national congress as well as next year's LO congress. ARBEIDERBLADET has learned that the committee definitely favors a 50-50 division between employees and stockholders in controlling industrial organs, with the stockholders retaining the majority due to the fact that the chairman has a double vote. In other words the same type of expansion favored by a majority of the people.

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CSO: 3108

## ESCUREDO ON FUTURE DIRECTIONS OF ANDALUSIAN AUTONOMY

Madrid ABC in Spanish 16 Aug 80 p 4

[Interview with Andalusia Junta President Rafael Escuredo, by Maria Jose Mendez; place and date not given]

[Text] "The government is the one which has to demonstrate that there is a spirit of cooperation between the central administration and the Andalusia Junta. I believe that the attitude of Prime Minister Adolfo Suarez is untenable." This is how Rafael Escuredo, president of the Andalusia Junta, explained the withdrawal of his request to have a meeting with Suarez, a request which received a lot of criticism.

However, the president of the Andalusia Junta did not wish to express an opinion on the clashes and differences in viewpoint existing within the Andalusia Junta and which recently became manifest in the stance of the PSA [Socialist Party of Andalusia] during the recent homage to Blas Infante--where everyone criticized the efforts of the Junta and its president--and in the note which the PSOE [Spanish Socialist Workers Party] subsequently published in which it requested the PSA to withdraw from the preautonomy body: "I do not favor criticizing the Andalusian political parties nor praising or defending a specific partisan policy." On the other hand Rafael Escuredo recognized that in Andalusia there is room for a possible center party with pro-Andalusian connotations: "In Andalusia, ever since 28 February 1980, there has been an electorate of the center which has been deserted but which could be satisfied by the party of [Manuel] Clavero."

Question: What is the present situation regarding Andalusian autonomy?

Answer: The situation of Andalusian autonomy now can be summed up as follows: On 28 February 1980 we witnessed an obvious political victory and it became evident that our people not only wished autonomy to be mentioned in Article 151--that is, maximum autonomy within the limits of the Constitution--but also rejected--and this must be stressed--the limited autonomy of Article 143.

This political victory has not been recognized by the [central] government. For this reason the majority political parties existing in Andalusia came to the Congress of Deputies with the purpose of amending the law on various methods of referendum. That effort failed by one vote. Accordingly, we find ourselves in the situation that we were in before.

Question: Is there any way to emerge from this impasse?

Answer: There are ways to solve the problem of the autonomous future of Andalusia. First, the government should politically recognize the results of 28 February 1980. Of course it is understood that it has to make an offer in very clear terms so that the popular wish may be respected as regards the procedures and content of Article 151 of the Constitution. Should this not occur, which would be a political error of unquestionable seriousness, there would only be two ways to emerge from this impasse: One of them would be to return--and some political parties have already mentioned this-- to the parliamentary battle to try again, this time perhaps in the presence of the PNV [Basque Nationalist Party], to push this parliamentary bill forward, making it again possible to hold a referendum in Almeria Province. This alternative would also run into difficulties because one should not forget that the Basque nationalists, and in the last analysis the Catalan nationalists, too, act more as a function of their partisan interests than of the solidarity which they proclaim. If this did not work it would be necessary to continue to strive within the framework of the rights recognized by the Constitution through the mobilization of citizens likely to bring pressure so that the State may become aware that this issue must be solved.

If we are unable to find a political solution which would not frustrate the hopes that were sparked on 28 February, we would be opening the door to a climate of political despair and disruption, since this autonomy issue is intimately connected with social problems, unemployment, and in the last analysis with underdevelopment, which is the serious problem in Andalusia today.

Obscure Article 144

Question: Would it not be possible to use Article 144 of the Constitution, which appears to be an alternative to Articles 151 and 143?

Answer: The government party keeps talking about Article 144 as did in his time Miguel Roca Junyent as well as Manuel Clavero, former minister of the UCD [Democratic Center Union], and lately I have heard Article 144 being discussed in the UCD. But curiously no one so far has been able to explain what it means. On this score I, personally, have some basic reservations regarding the constitutionality of Article 144 as a possible way out.

But while Article 144 amounts in a way to a comedown compared to the procedure and content of the provisions of Article 151, one would have to say sufficiently in advance that those provisions would not help Andalusia because they would not be the statute which our people won for themselves on 28 February.

Question: With rumors of crises and minicrises in the air, do you believe that there will be a change of attitude in the government regarding Andalusian autonomy?

Answer: In this respect I am fairly pessimistic since in Spain I have the impression that from the government on down there is a misunderstanding of the concept of state decentralization. It is impossible to try to federalize northern Spain but regionalize the rest, since this would be a comparatively very grave offense. The letter of our Constitution makes no discrimination. It is the political wish at a given point of a party or of the government which can establish this discrimination and I believe that this is what is becoming evident in building a Spain of autonomous entities.

## No to the Policy of Consensus

Question: Is there any possibility of a PSOE-UCD pact?

Answer: Obviously, I cannot speak in the name of the PSOE but I am convinced that the government cannot continue to run the country under the conditions in which it has done so up to the censure vote. Today this is an event which the government itself and the UCD recognize. To mitigate this situation there are two options. One is the establishment of a parliamentary majority with a voice at the government level in which the UCD and its allied parties could be represented from an economic and social viewpoint, just as the Catalanian and Basque nationalists can be. The second possibility would be to revive the policy of consensus, but as far as I know the PSOE, to the extent that it has any clear policy at all, is not prepared to return to the policy of consensus.

Since some solution will obviously have to be found I hope that the prime minister will pull the rabbit out of his hat and in the last week of August or early in September will tell the country what he plans to do during this coming quarter which, in my opinion, will be important and decisive for the smooth progress of democratic life in Spain.

## The Andalusian People Have Become Aware

Question: Can the work of the Andalusia Junta be considered effective?

Answer: The Andalusia Junta is an instrument which has served to make the Andalusian people become aware of the reality involved in the fact that 6 million Andalusians have not only been shunted aside but also oppressed by a centralist policy which has not recognized the distinctive identity of the Andalusian people. The vote on 28 February 1980 implied for Andalusia the recovery of its identity as a people and its resolve to achieve complete self-government.

Furthermore, the responsibility of the Andalusia Junta in terms of its effectiveness or ineffectiveness is a function of the power which the central administration has transferred to it and which, today, not only amounts to very little but these transfers have not been accompanied by any resources whatever. I believe that a preautonomy organ should not govern, in this case the Andalusian people. Instead, it should solve the issue of self-government and of autonomy; that is, it should be a political instrument that would serve to build self-government. Today, at the end of 2 years of pre-autonomy status, we are much closer to what we want as a people, which is autonomy at a level equal to that of Catalonians and Basques, who secured it 2 years ago. All of this has been the result of a tremendous effort not only by the Andalusia Junta but also--one has to recognize this--by the Andalusian political parties.

2662

CSO: 3110

## BRIEFS

NEW MELILLA NATIONALIST PARTY--Madrid, 19 Aug--The so-called Spanish Nationalist-Aprome Party will file on 22 August 1980 its application for inclusion in the Official Register of Political Associations, according to sources in the Pro-Melilla Association (or Aprome), an entity which supports the party. The new party, according to the same sources, "claims to be nationalist because, among other things, it will protect and defend the identity of the Melillan and Spanish people, since Melilla is one of the national groups of Spain." The sources added that the party reasserts the right of any community of individuals to remain on their land and declares itself to be against any kind of "expansionist totalitarianism." [Text] [Barcelona LA VANGUARDIA in Spanish 20 Aug 80 p 6] 2662

CSO: 3110

## NEW BOOK DISCUSSES PALME'S POLICIES, CHARACTER

Stockholm DAGENS NYHETER in Swedish 29 Sep 80 p 4

[Review by Sven E. Olsson of the book "Palme Again?"]

[Text] Dieter Strand's book "Palme Again?" is one of the best written in Swedish about the irrationality of politics. In the book a different picture of Palme is shown; not exactly arrogant, but a fighter. The only one of our politicians who could be the father of the Swedish people, according to Sven E. Olsson.

Today one must be drawing a pension in order to have voted in an election where another party than the present five sat and voted in the Riksdag. Exception: when the citizens of Orestad in 1964 elected the photographer Bertil Rubin of the Citizen's Coalition Party.

Our parties in the Riksdag live on. Their politicians, on the other hand, disappear. Who remembers the Citizen's Coalition Party?

I believe that the explanation is basically rather simple: the existence of the political parties is based on very solid social antagonisms and groups. One party organizes the businesses, another the farmers, and a third the workers. Although parties, representatives, and large voting groups find their way outside this framework, that does not prevent me from arguing that it is here we must begin in order to understand our political system. And the policies that the parties promote over the long run.

Against that, of course, stand all the occasional performances that the politicians put on and the mass media deliver. Anything that attracts attention. The surface phenomena of the politician. All the personal matters, mainly the profile of the party leader. Because I called them the surface phenomena that does not make them unimportant. On the

contrary, they also require their point of view. One must only explain to himself how the parties hang together with such patterns and conflicts when they have generations and generations to account to.

The assumption that Dieter Strand writes on the surface in his new book "Palme Again? Scenes from the Party Leader's Life" (Norstedts, about 82 kronor) does not mean that he has written a superficial book. It is rather one of the best written in Swedish about the irrationality of politics and politicians.

#### Meeting with Palme

The book deals with Olof Palme.

I myself have met Palme, before I had voted. At a SSU (Social Democratic Youth of Sweden) meeting in Skane just before the record social democratic vote in 1968.

I had two opportunities to ask questions of Palme. Two different questions. On both occasions I was neatly squelched. Once he dismissed me as a member of the Liberal Party, the other time as a left-wing extremist. Perhaps he was not entirely wrong, but after that I was not particularly enthusiastic about Palme.

Not only personal experiences, but also a larger community learning process--family, school, friends, sometimes also on the job--made it clear to me that Olof Palme was a nasty scoundrel.

Arrogant, scheming, cocky, and constantly wearing a false smile. "He who never doubts," said DAGENS NYHETER's editorial headline the other day. Also SVENSKA DAGBLADET's editorial about the party leader's popularity exactly one week ago confirmed my basic impressions.

#### Dieter Strand

Dieter Strand begins from another direction. He has been AFTONBLADET's leading political columnist and reporter for 15 years. Nobody listens to the movements the way he does or relates what he learns with his own touch. In the political arena he has become something of a master of his kind. A party man but seldom a high scribe of the party. From his vantage point in the middle of the movement he has a remarkable ability to see everyday events with a new and different perspective.

The same touch, the same methods, the same ability to mix impressions, the same moods, events, and conversations return in "Palme Again?" It is political reporting from the election campaign in the late summer of 1979, from the closing phase of the referendum in March 1980, and from the lockouts, strikes, and intensive days of negotiation during the first part of May.

Dieter Strand with photographer Stig-Goran Nilsson followed Olof Palme, certainly with his good will and permission. They lived near him. It became a picture of a man whom I knew very little, either from the SSU meeting in Skane or from press, radio, and TV.

Not exactly arrogant, almost lacking in self-confidence. No false smile, only tired. Talented? OK, but limited, like most people.

Above all, Palme is a fighter, who has great difficulties with Thorbjorn Falldin. According to Strand he has an almost irrational fixation on the Center Party leader.

Incapable of breaking up the bourgeois bloc, he instead prepared for trench warfare, until the end of the decade if necessary.

Falldin is politically dishonest. He has been ever since he became the leader of his party and quickly formulated a motion together with Bohman and Helen.

"Do you know who first warned me that Falldin is dishonest?" he asked Strand. "The first was Lisbet, my wife, and the second was Tage Erlander."

I have difficulty believing that this picture of Falldin has had or will have any impact outside the most dedicated group of social democratic voters. Conservatives, centrists, and liberals, as well as communists, have forgotten--or forgiven--that Falldin loaded Barseback 2. Probably the majority of social democrats who voted for line 3 have also.

The Falldin fixation creates the impression that Palme is both socially and physically handicapped in the presence of his political opponents. No farmers, no barnyard smells. Olof Palme, the city politician.

#### Straw Hat

This impression is reinforced by his exaggeratedly well-behaved attitude toward straw hats. But there is also a stroke of the straw hat in his actions. As Dieter Strand puts it, "The U.S.A.-educated critic of the U.S.A., who continues to be more influenced by the U.S.A. than most Swedish politicians."

Yet Palme is naturally a social democrat first, the leader to hold the party together. Listening inward. Sensitive for voices far outside the main stream. But in the inner circle there is clearly a loyalty which makes discussion of Palme's "sensitive nature" impossible. A mystic circle which, according to Strand, only the leadership of LO [Swedish Trade Union Confederation] has the power and ability to break.

Party people do not have it. Activists of the labor movement and town meeting participants are being transformed a little too often in "Palme Again?" into hands, shaking hands, applauding hands, yes even sometimes clenched fists.

Dieter Strand has listened. Carefully. On the streets, in the markets, in meeting halls and out in the corridors, in the railroad cars and on the campaign buses. Listened to the movement. But also to the journalists around him. And here he is caught in the same dilemma which he said was Palme's second greatest--fixation with the mass media.

Because somewhere away from the TV cameras, opinion polls, and headlines there is still a peoples' movement of rather unique dimensions. Of course it is crumbling a bit here and there, it somewhat resembles the thirties, it does not always hang together in the wind, but it is there.

Therefore, in these times when admiration for Gosta Bohman cuts across all party lines, I will declare this: there is only one great politician in this country in 1980 and his name is Olof Palme. He is the only one in the new group of politicians who has the qualifications for being "father of his country," measured as a great politician in Sweden.

To bet one's last penny on Palme would certainly be a risky investment, resembling double or nothing. If he loses in 1982 he will be hopelessly lost. If he wins, then I wonder if his obituary will resemble Tage Erlander's: early (or long) disputed, late recognized. In exactly two years the outcome will be known.

9287

CSO: 3109

## LO LEADER NILSSON WARNS OF RENEWED LABOR UNREST

Oslo ARBEIDERBLADET in Norwegian 1 Oct 80 p 6

[Interview with LO [Swedish Federation of Trade Unions] chairman Gunnar Nilsson by Lone Hansen; date and place not given]

[Text] Stockholm--It's a good thing the Swedes have their crispbread. There are apparently some lean years ahead before Sweden gets back on its feet. The average Swede will have to scrimp and starve. That is the economic medicine the nonsocialist government wants to use to counteract the economic mess in this country.

The highest value-added tax in Europe. With one blow LO members are back on the minus side. In spite of last spring's bitter labor conflict which shook the entire nation. But Swedes fear this might be nothing compared to what lies ahead. "There is a big danger we could end up in the same difficult situation," LO chief Gunnar Nilsson said in an interview with ARBEIDERBLADET. Gunnar Nilsson who has close to 2 million workers behind him foresees no improvement until Falldin, Bohman and Ullsten disappear from the scene. He personally advocates a new election.

The people who were going to establish the People's Home have left the model country of Sweden in ruins, in the shadow of newly-rich Norway. What went wrong in Sweden? Is that really the end for the Swedish welfare state?

Europe's highest value-added tax, 23.4 percent, is supposed to curtail buying power. LO chief Gunnar Nilsson does not conceal his feelings. "We are very irritated both in LO and in other worker organizations and so are some of the employers. Only a few months ago the government came up with a so-called stimulus package to guarantee the labor settlement. Now they are trying to correct this with an increase in the value-added tax. We cannot accept that," said Gunnar Nilsson. "While the prices of goods and services skyrocket Falldin is preparing his presentation of the first savings package. I have nothing against Sweden saving money but we cannot go along with a proposal that will hit the weakest members of society the hardest due to increased food prices,

housing expenses, etc. I am also opposed to a change in the tax scales. Again those who have the least to begin with will lose the most. Against this background wage negotiations will soon have to begin again and there is a big risk that we will end up in the same situation as the one we had last spring," said Gunnar Nilsson.

[Question] Is it the working class that must pay for the economic crisis?

[Answer] Yes, now we practically have to starve ourselves out of this mess. Our economic affairs minister, Bohman, loves austerity programs. And each time he tightens our belts another notch it affects LO members the most. Obviously such conduct is more likely to lead to a policy of confrontation.

[Question] What is the reaction of LO members to the news that they have to save 7 billion kronor?

[Answer] Naturally most people want to maintain their standard of living. But it is being eroded by the high inflation rate. The inflation rate has risen from 13 to 19 percent in 1980 alone. When people have to start living under the savings plan after 1 January they will quickly discover that their living standard has declined. The farmers will also be affected. Forecasts show that living costs for farmers will rise 4.5 percent a month after 1 January.

[Question] You have advocated a new election?

[Answer] Many people believe that is the only solution. The nonsocialist three-party government will probably hold together until the 1982 election. If changes are to be made before then the government will have to step down voluntarily.

### Sky-high Bills

In Sweden they are holding their breaths in anticipation of a violent confrontation between the government and the opposition. In the meantime the non-socialist parties are quarreling among themselves over how to use the money that will be saved. Heavy inroads will be made here.

The deficit in the trade balance is approaching 20 billion kronor, a doubling in just 1 year. In addition to that is the imbalance in the national budget which shows a deficit of 55-60 billion kronor during 1980. The total national debt--if nothing happens--will be 500 billion kronor in 5 years!

Firms are earning good money. But production is too small and inflation is too high. Swedes consume more than they produce. Sweden is the biggest oil consumer in the world on a per capita basis.

[Question] How do matters stand? What is your diagnosis of the patient, Gunnar Nilsson?

[Answer] Sweden has gone through the same development as other OECD lands. One problem is our dependence on oil. When oil prices go up it hits us hard. The vital question is how we are going to solve these problems.

The big trade balance deficit is being used as an excuse for an increase in the value-added tax. But Norway has also gone through periods marked by balance problems. Thus the government is blaming external factors. And the Conservatives are working systematically to reduce national income so they can pay off their debts.

They go abroad to borrow money. At the same time there is a cash outflow of 2 billion kronor a month! Businessmen use a large portion of the economy for speculation and marketing abroad. In this situation it is an open question how long we can go on borrowing. We too may soon catch the Danish illness.

[Question] What would you do about the Swedish economy?

[Answer] We must make savings but not so that it hurts the weakest among us. The main thing we need is reinforcement of Swedish industry. So far there has been a reluctance to expand, modernize, utilize productivity. When profits are not as they should be industry would rather speculate abroad. One consequence of that is that we can no longer handle the public sector, especially on the municipal level. We must stop believing in the private capitalistic idea that only savings will produce a balance.

I also think industrial cooperation between Norway and Sweden is developing too slowly. On a purely occupational level we have achieved a certain degree of cooperation. Now we need political solutions and concrete projects. Swedish forces with a lot of control over the economy are trying to stop such cooperation which could be beneficial for both countries.

[Question] What will happen to the job market?

[Answer] By West European standards Swedish employment is high. But a decline in buying power and in the market will lead to reduced employment. I am betting on an unemployment rate of up to 3-4 percent in the course of the winter. In this kind of situation industry cannot get clutched up about losing profits. That would produce an unemployment crisis in spite of the good figures we have today.

[Question] In Norway it looks as if Sweden has driven into the ditch. Is that really the end of the Swedish welfare state?

[Answer] It's not that catastrophic. It is true that developments are threatening us. But we will maintain our prosperity. That means we must create a policy that will make people believe that Sweden has a political leadership capable of handling things. We don't have that today, said LO chief Gunnar Nilsson.

6578

CSO: 3108

## POLL INDICATES YOUNG VOTERS DESERTING CENTER PARTY

Stockholm DAGENS NYHETER in Swedish 5 Oct 80 p 6

[Article by Ake Ekdahl: "Youth Leave Center Party--Communists Take Votes From Social Democrats"]

[Text] More voters are leaving the Center Party. The losses are most obvious among the young voters. In September Thorbjorn Falldin had only 14 percent of the voters backing him. That is a decrease of 2.5 percent during the summer, and the continuation of a long trend. Even the social democrats go down in September--mostly in the big cities, but they are still larger by themselves than the three bourgeois government parties together, 46.5 to 45.0 percent.

These are the results of the election barometer which IMU [Institute for Market Research] prepared for DAGENS NYHETER during the period 1-24 September. The poll reflects the political mood which exists following the increase in value-added tax, the extraordinary Riksdag session, and the government's bill for an austerity plan for next year.

The poll was begun at the same time as SIFO [Swedish Institute of Public Opinion Research] finished its latest poll. The tendencies are the same in both polls with the exception of for the social democrats.

The steady advance of the Conservative Party since the beginning of last year has been halted, the Liberal Party is growing again, the decline of the Center Party continues, and the Left Party Communists are growing again after a weakening tendency following the referendum.

## Social Democratic Losses

SIFO showed the social democrats experiencing an increase. IMU shows a loss of 1 percent for the past month.

Here are the figures from the barometer (changes are within the margin of error):

| <u>Party</u>    | <u>IMU</u><br><u>June</u> | <u>IMU</u><br><u>Sept</u> | <u>Change</u> | <u>SIFO</u><br><u>Aug</u> |
|-----------------|---------------------------|---------------------------|---------------|---------------------------|
| Conservative    | 23.0                      | 23.0                      | + 0           | 24.0 (-1.0)               |
| Liberal         | 6.5                       | 8.0                       | +1.5          | 8.0 (+1.0)                |
| Center          | 16.5                      | 14.0                      | -2.5          | 13.0 (-1.5)               |
| Social Democrat | 47.5                      | 46.5                      | -1.0          | 48.0 (+1.5)               |
| L. P. Communist | 4.5                       | 6.5                       | +2.0          | 6.0 (+1.0)                |
| Christian Dem.  | 1.5                       | 1.5                       | + 0           | -                         |
| Other           | .5                        | .5                        | + 0           | -                         |

Together with the communists, the socialist bloc has 53 percent, a lead over the bourgeois parties of 6.5 percent. That is about the same lead as in June.

Compared with the election last autumn the conservatives and social democrats have significantly greater support among the voters today. The election results were: Conservative Party 20.3, Liberal Party 10.6, Center Party 18.1, Social Democratic Party 43.2, and Left Party Communists 5.6 percent.

#### Conservatives in the Cities

IMU has also calculated among which groups of voters the changes are taking place. It was learned that the Conservative Party increased among the youngest voters, among the least educated, in west Sweden, and in the large cities (+7 percent), but lost in the countryside, in southern Sweden, and in social group I.

The Liberal Party made its gains among women, older voters, medium size towns, middle classes, west Sweden, and in the far north, but lost votes among the youth. Last spring the Liberal Party was the second choice for more than one-fourth of the voters. In connection with their gains in September this portion has declined to about one-fifth.

#### Center Loses

The Center Party, which has lost every other voter since the first Falldin government took over, lost the most among youth (-7 percent), in Norrland, and in the countryside. Some of the lost votes will be recovered in social group I, and an increase of 10 percent during the summer. Fewer considered the Center Party as their second choice.

The Social Democratic Party lost voters among women, the elderly, workers, the less educated, in west Sweden, and experienced a loss of 12 percent

of its voters in the large cities. Additional voters came from the youth, higher social groups, and regions in the far south and north. More people considered the Social Democratic Party as their second choice.

The Left Party Communists increased their support among men in both the large cities and in the countryside, among the less educated, and in west Sweden, which could indicate an overflow from the social democrats.

SV (M) valning - Valjarsuppsatzen

|                                                                  | Valperiod            |                       |                       |
|------------------------------------------------------------------|----------------------|-----------------------|-----------------------|
|                                                                  | 8.                   | 9.                    | 10.                   |
|                                                                  | 8/4-<br>30/4<br>1980 | 10/9-<br>11/9<br>1980 | 1/10-<br>24/9<br>1980 |
| Antal intervjuade röstberättigade med partisympati (= bas för %) | 851 st               | 799 st                | 836 st                |
| I som anger som "bästa parti":                                   |                      |                       |                       |
| Moderata samlingspartiet                                         | 23.0%                | 23.0%                 | 23.0%                 |
| Folkpartiet                                                      | 9.0%                 | 8.5%                  | 9.0%                  |
| Centerpartiet                                                    | 17.0%                | 16.5%                 | 14.0%                 |
| Kristen Dem samlung                                              | 1.5%                 | 1.5%                  | 1.5%                  |
| Socialdemokraterna                                               | 43.0%                | 47.2%                 | 46.5%                 |
| Vänsterpartiet Kommunisterna                                     | 5.5%                 | 4.5%                  | 6.5%                  |
| Övriga partier                                                   | 1.0%                 | 0.5%                  | 0.5%                  |
|                                                                  | 100.0%               | 100.0%                | 100.0%                |
| I av röstberättigade som inte kan eller vill ange "bästa parti"  | 3.9%                 | 1.0%                  | 4.9%                  |

Hittills har 6 uttågningar av partisympatier genomförts. Förändringarna mellan valning 8 och 10 ligger i samtliga fall inom den statistiska felmarginalen.

Undersökningarna har gjorts inom riksrepresentativa sannolikhetssurval av svenska medborgare i åldern 16-74 år. Intervjuerna har gjorts via besök i hemmen. Följande fråga ställdes: " vilket parti tycker du är bäst?". En valsituation efterliknade; partipreferensen uttrycks med hjälp av "röstsedlar" och "valkuvert".

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# DN/IMU Voter Opinion Poll

|                                                                                             | Polling Period             |                             |                            |
|---------------------------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------------|
|                                                                                             | 4.<br>8/4-<br>30/4<br>1980 | 5.<br>19/5-<br>11/6<br>1980 | 6.<br>1/9-<br>24/9<br>1980 |
| Number of qualified,<br>party-affiliated voters<br>interviewed (=basis for percent-<br>age) | 831                        | 799                         | 836                        |
| Percent who polled for<br>"best party"                                                      |                            |                             |                            |
| Conservative                                                                                | 23.0                       | 23.0                        | 23.0                       |
| Liberal                                                                                     | 7.0                        | 6.5                         | 8.0                        |
| Center                                                                                      | 17.0                       | 16.5                        | 14.0                       |
| Christian Democrat                                                                          | 1.5                        | 1.5                         | 1.5                        |
| Social Democrat                                                                             | 45.0                       | 47.5                        | 46.5                       |
| Left Party Communist                                                                        | 5.5                        | 4.5                         | 6.5                        |
| Others                                                                                      | 1.0                        | .5                          | .5                         |
|                                                                                             | 100.0                      | 100.0                       | 100.0                      |
| Percent of qualified voters<br>who would not indicate "best<br>party"                       | 3.0                        | 3.0                         | 4.5                        |

Heretofore six polls of party preference have been conducted. Changes between polls 5 and 6 lie within the statistical margin of error.

The polls were conducted within a national representative probability selection of Swedish citizens between the ages of 18 and 74. The interviews were conducted during visits in the home. The following question was asked: "Which party do you think is best?" An election situation is simulated; party preferences were expressed by using "ballots" and "ballot envelopes."

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9287  
CSO: 3109

## WAGE-EARNERS FUND TO BE ISSUE AT NEXT SOCIALIST'S CONGRESS

Stockholm DAGENS NYHETER in Swedish 5 Oct 80 p 6

[Article by Ake Ekdahl: "Social Democratic Youth Critical of Party Leadership"]

[Text] The Social Democratic Party is headed in the wrong direction with its wage-earners fund, according to the party's own youth organization. The leadership of SSU [Social Democratic Youth of Sweden] issued a statement on Saturday which strongly criticized the party's investigators in the government inquiry into the wage-earners fund.

"We are concerned about what could happen. This can be seen as a warning signal," said SSU Chairman Jan Nygren to DAGENS NYHETER.

"Questions of power and influence have been pushed to the rear in social democratic discussions. Representatives of the party and of LO [Swedish Trade Union Confederation] have put forth a proposal which in important respects differs from what has previously been discussed in the labor movement," said the SSU statement.

Now the idea of obligatory issues is finished. Instead, a system is being discussed with a number of funds which collect fees from wages and profit sharing in order to later buy stocks on the market. That will not guarantee democratic influence, employers and unions can not count on the results, and the building of capital will suffer, protests the SSU in its statement.

A couple of years ago the SSU congress criticized the combining of the wage-earners fund and the capital building fund, which the party and the LO were thought to be doing before the congress. SSU wanted to modify the system by removing the wage-earners fund from the capital building fund and the development fund.

Now SSU is renewing their criticism.

The mixing of funds is even more obvious today when the social democrats want the wage-earners fund closely joined with the AP [National Swedish Pension Insurance Fund] system. The SSU leaders believe that this would be a troublesome system difficult to supervise.

"Set up pure wage-earners funds which are controlled by local and regional wage-earners who will democratize business. Establish pure capital building funds which are controlled by citizens and which supply business with risk capital. The argument that wage-earners must have increased influence in business if they are to contribute and increase savings applies even if the systems are separate. We are concerned and want to warn the examiners before the decision is made. I do not understand the social democrats' concessions to obligatory profit sharing or mixing of influence and capital building," said Nygren.

He did not think that fund investigators will tie themselves up too much in investigative work, but will permit the party congress next fall to conduct their own discussions of the funds.

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## REVISED FIGURES INDICATE GNP UNDERESTIMATED FOR DECADE

Stockholm SVENSKA DAGBLADET in Swedish 4 Oct 80 p 31

[Article by Weje Sanden: "Growth 20 Percent Higher During 1970's"]

[Text] The growth of Sweden's gross national product [GNP] has been consistently underestimated for the last 10 years. New revised accounts show that the GNP grew an average of 2 percent per year during the 1970's, compared with an earlier estimate of 1.6 percent.

The Central Statistical Bureau [SCB] has calculated the total national accounts since 1970. The figures for 1979 are, however, still preliminary.

SCB's audit is the most inclusive ever. According to what SVENSKA DAGBLADET has learned, SCB has revised the figures substantially upward.

Previously it was said that the GNP during the period 1970-1974 increased by an average of 2.2 percent per year.

The accounting error in economic growth has made more difficult the work of revising the finance plan, which is now going on within the Ministry of Economy. The plan will be presented on 13 October.

"It is too early to say if the new figures are going to affect political decisions," said Minister of Economy Gosta Bohman.

The new calculations show that growth was actually 0.5 percent higher, or 2.7 percent per year.

1975: 150 Percent Error

The year 1971 was previously considered a lost year--a year without growth, which after revised calculations proved to be a year of growth. Now SCB says there was 1 percent growth in 1971.

During 1974 to 1979 the GNP grew annually at an average rate of 1.2 percent according to previous calculations. Now SCB says that the rate of growth was 1.4 percent.

The year 1975 was adjusted upward most of all—from 1 percent to 2.5 percent.

During the entire 1970's the average growth per year in fixed prices was 2 percent--0.4 percent higher than was previously thought.

In money that means that the GNP last year was 20 billion larger, or 456 billion kronor in 1979 money.

The revised national accounts do not mean, however, that today's picture of the Swedish economy is markedly changed.

"But these figures can undermine the confidence of economists and others in the statistical foundation which we utilize," said Nils Lundgren, chief of the economic secretariat at PK Bank [Swedish Joint Post Office and Commercial Credit Bank]. There is also the risk that the level of debate will be drawn further down. The possibility is now open to put our basic data in doubt when it does not fit the needs.

#### Strang Reappraised

According to Nils Lundgren the 1971 adjustment upward is especially interesting. The hard policy of restraint that the then Minister of Finance Gunnar Strang (Soc.Dem.) carried out is firmly criticized by economists.

"The policy was too austere even looking at the new figures. But the economists perhaps were a bit too noisy. Growth of one percent would fit Strang's policies in a somewhat more profitable situation."

SCB regularly reviews the national accounts--but they have never been so thorough as they are now.

The calculations have been changed on several counts:

The balance of payments has been adjusted upward to the advantage of the Swedish economy. Previously it was calculated that the so-called adjustment for services rose to 800 million kronor. In 1979 it was calculated to be 10 times larger--8 billion kronor, according to the balance of trade delegation.

Domestic savings were also revised. The savings ratio has been reduced. And departing from the household budget investigation of 1978 the household consumption of 1979 has been adjusted upward by 12.2 billion kronor in current prices.

Furthermore SCB has defined income as living in a villa, which has further contributed to the upward adjustment.

SCB is going to present the new accounts on Tuesday.

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## REPORT URGES ONLY HALF OF OIL RESERVE BE FILLED

Stockholm DAGENS NYHETER in Swedish 2 Oct 80 p 32

[Article by Olle Rossander: "Make the Crisis Oil Storage Only Half as Large"]

[Text] It is recommended that the program for the national crisis oil storage be reduced almost by half. Instead of holding 9.5 million cubic meters of crude oil in storage it is now recommended by the oil storage commission that the country should have 5.1 million cubic meters of crude oil when the storage is completed.

Today the so-called peaceful crisis storage contains about 2 million cubic meters but the expansion of the mountain caverns is going ahead at full speed, according to the program which the Riksdag decided upon in 1977.

In 1981/1982 further mountain caverns will be completed for a total of 4.6 million cubic meters of crude oil, but the commission, under the chairmanship of Erik Huss, recommends that these not be filled. When the storage program is completed in 1983 the commission recommends that about 1.5 million cubic meters of completed mountain caverns not be used.

"I believe that this is gambling with our national security," writes Defense Department planning expert Sven-Erik Orro.

Experts from the central committee of economic defense have also launched a strong attack against the commission's method of calculating how much oil Sweden should keep in storage for the future. LO's [Swedish Trade Union Confederation] representative Gosta Dahlstrom has withheld judgment.

## Too Large

All, even the critics, agree that the Swedish 90-day supply need not be as large in cubic meters as was calculated in 1977. Consumption has shrunk and therefore the supply can be about 25 percent smaller when it is completed.

The conflict is over reducing the amount of storage space to be constructed.

Critics say that the commission utilized only the most optimistic assumptions in determining crisis and war risks.

The margins of uncertainty which previous oil commissions counted on have in many cases entirely disappeared, say the experts from this commission.

"The so-called war reserve of barely one million cubic meters which we previously counted on has, without any factual reason, been cut down dramatically," said Suzanne Frigren of OEF [National Board of Economic Defense].

"Certainly we are in agreement with all the more or less mathematical calculations, but so much of it must be calculated with very large margins. As, for example, how a crisis or a stoppage of supplies would develop," said Suzanne Frigren.

The chairman of the commission, former Minister of Industry Erik Huss, does not agree with the critics in any case.

"I do not want to pass a judgment on OEF, even if it is tempting," said Erik Huss, "but it is of course quite common for special authorities to want to have more when it comes to their own specialized bailiwick.

"We have gone through all the facts and calculations and decided to build up the storage significantly sooner than was previously expected--but to the lower level needed today."

Erik Huss mentioned especially the large commercial storage which the oil companies, industries, and municipalities have built up during the past two years.

"These supplies make it possible for us to reduce the national commitment," said Erik Huss.

"Is it not then unwise not to fill the storage which will be ready in only one year?"

"Our goal for security has not been reduced," answered Erik Huss, "but it is of course a question of money also. A couple of billion is not a trivial amount, it is a matter of balance of trade."

In one respect Erik Huss maintains that our oil preparedness could have been worse.

"As the large multinational oil companies lost control of the markets, the system lost flexibility and we can more easily be hurt by sanctions imposed against us by the oil countries. The national companies' stronger roll on the market weakens our security in its own way.

"But we have a nearer source of oil now," said Erik Huss, thinking of Norway. He concedes, however, that the regulations of the oil club IEA [International Energy Agency], of which Sweden is a member, prevent all forms of special neighbor relations with Norway.

Minister of Trade Staffan Burestam Linder, who has not yet seen the commission's report, said that it would be surprising if all the storage under construction is not filled.

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